



FRANCHISE DISCLOSURE DOCUMENT

Playa Bowls Franchisor LLC
A New Jersey limited liability company
803 Ocean Avenue, Belmar, New Jersey 07719
Tel: (732) 257-8604
franchising@playabowls.com
www.playabowls.com

The franchise that we offer is for Playa Bowls®, a fast-casual shop featuring acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, smoothies, juices, and other healthy menu items. We offer individual unit Playa Bowls shop franchises and franchises for the development of multiple Shops within a designated territory.

The total investment necessary to begin operation of a Playa Bowls shop under a franchise agreement is \$188,675 to \$636,458. This includes \$35,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to begin operation of a Playa Bowls shop under a multi-unit development agreement is \$223,675 for three shop locations to \$793,958 for 10 shop locations. This includes \$70,000 for three shop locations to \$192,500 for 10 shop locations that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Dan Harmon, CEO, Playa Bowls Franchisor LLC, 803 Ocean Avenue, Belmar, New Jersey 07719, and (732) 257-8604.

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

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

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

Issuance Date: April 8, 2024, as amended September 6, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits G and H.
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 Playa Bowls 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 Playa Bowls franchisee?	Item 20 or Exhibits G and H list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and multi-unit development agreement require you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in New Jersey. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New Jersey than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.
5. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

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

NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

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

Any questions regarding this notice should be directed to:

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

Playa Bowls®
Franchise Disclosure Document

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

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

Us and Our Parents

We are a New Jersey limited liability company established on June 21, 2016. Our principal place of business is 803 Ocean Avenue, Belmar, New Jersey 07719. We conduct business under our corporate name Playa Bowls Franchisor LLC and under the Playa Bowls trade name. Our business is operating the Playa Bowls Shop franchise system and granting franchises to third parties like you to develop and operate a Shop. We began offering franchises in July 2016 and, other than as discussed above, we are not in any other business, we have not conducted business in any other line of business, we do not conduct or operate a Franchised Business of the type to be operated by a franchisee, and we have not offered or sold franchises in any other line of business. We have had no predecessors in the last 10 years. Our registered agents for service of process are disclosed in Exhibit B of this Disclosure Document.

Our direct parent company is PB Group Holdings, LLC (“PB LLC”), a Delaware limited liability company established on June 22, 2021, with a principal business address at 803 Ocean Avenue, Belmar, New Jersey 07719. PB LLC has not in the past and does not now offer franchises in any lines of business. On August 30, 2024, an investment fund managed by Sycamore Partners Management, L.P. (“Sycamore”) acquired a controlling interest in PB LLC and its affiliates. Sycamore has a principal business address at 9 West 57th Street, 31st Floor, New York, New York 10019. Neither Sycamore nor any of Sycamore’s managed investment funds have ever conducted a business of the type being offered by this Disclosure Document. An investment fund managed by Sycamore has been the owner of another franchisor, Goddard Systems, LLC and its affiliates (“Goddard”) since June 30, 2022. Goddard’s principal business address is 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107. Goddard franchises schools primarily offering preschool learning programs and care for children between six weeks and 10 years old under the name The Goddard School®. Goddard acquired the rights to The Goddard School® franchise system in March 2002. Before that, Goddard’s predecessor began offering franchises in 1988. As of December 31, 2023, there were 627 franchised Goddard Schools operating in the United States. Except for The Goddard School® franchise system, neither Sycamore nor any of its affiliated portfolio companies have offered or sold franchises in any other line of business.

Our Affiliates

Playa Bowls, LLC

Our affiliate Playa Bowls, LLC is a New Jersey limited liability company established on July 11, 2014. This affiliate maintains a principal business address at 803 Ocean Avenue, Belmar, New Jersey 07719. This affiliate is the owner of one of the Licensed Marks. This affiliate provides operational support and other services on behalf of our company owned Playa Bowls shop locations and food trucks. This affiliate is the parent company of the corporate entities that own and operate our company owned Playa Bowls shops and food trucks. You will not be required to conduct business with this affiliate. This affiliate has not in the past and does not now offer franchises in any lines of business.

Rabby, LLC

Our affiliate Rabby, LLC is a New Jersey limited liability company established on June 28, 2016. This affiliate maintains a principal business address at 803 Ocean Avenue, Belmar, New Jersey 07719. You will

not be required to conduct business with this affiliate. This affiliate has not in the past and does not now offer franchises in any lines of business.

Playa Bowls IP, LLC

Our affiliate Playa Bowls IP, LLC is a New Jersey limited liability company established on April 22, 2016. This affiliate maintains a principal business address at 803 Ocean Avenue, Belmar, New Jersey 07719. This affiliate is the owner of some of the Licensed Marks. This affiliate has not in the past and does not now offer franchises in any lines of business.

The Franchised Business

We license a system (the “System”) for the development and operation of a Playa Bowls shop (each, a “Franchised Business” or “Shop”) that serves a menu of acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, smoothies, juices, and other healthy menu items for on-premises dining, carryout, catering, and delivery (the “Approved Products and Services”). The System includes Approved Products and Services that we currently designate and that we may modify, add to, or discontinue from time to time, and our specifications, methods and procedures for the preparation, service, marketing and sale of Approved Products and Services by the Franchised Business. The System also features and requires, as designated by us, your exclusive use of certain ingredients, including acai, pitaya, mango, fruit, toppings, and other food products, beverages, packaging materials, and supplies used to prepare Approved Products and Services, and other supplies and equipment that we designate for use in your Shop (collectively, the “System Supplies”). The System is presently identified by the Playa Bowls trademark, the Playa Bowls logo and other trademarks, service-marks, logotypes, and commercial symbols as we may designate, modify, and adopt from time to time for use in the System and as same may or may not be registered with the United States Patent and Trademark Office (collectively referred to as the “Licensed Marks”). You must develop and operate your Shop in conformity with the requirements of our System, including the specifications, procedures, criteria, and requirements that we designate in our confidential Operations Manual and other proprietary manuals that we may designate and, as we may supplement and modify from time to time (collectively, the “Operations Manual”).

In addition to the development and operation of a fixed location Shop (each a “Shop Location”), following the opening of your Playa Bowls Shop and, based on franchisee request, market type, and availability, we may, in our discretion, offer qualified franchisees the option to supplement the operations of their Shop with the purchase and operation of a Playa Bowls branded and authorized food truck (each a “Food Truck”). Food Truck operations are ancillary to and in support of a Shop Location and limited to the geographic designated territory of the Franchised Business and subject to our operational standards and specifications.

Franchise Agreement

You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E to develop and operate a Shop from a single Shop Location within a designated territory. You will be required to develop and operate your Shop in conformity with the requirements of our System and at a Shop Location that we approve. A Shop will ordinarily be located in high traffic retail commercial locations, including strip shopping centers. If you do not have an approved site for your Shop Location you must select a site in accordance with the Franchise Agreement and obtain our written approval of the Shop Location. Your rights in the System will be limited to the development and operation of a single Shop serving only our Approved Products and Services from your approved Shop Location and using only our System Supplies. Your Shop must conform to the requirements of our System.

If, in our discretion and following your request, we authorize you to operate a Food Truck, we will enter into the Food Truck Addendum attached as Exhibit 9 to the Franchise Agreement. You will be required to develop and operate your Food Truck in conformity with the requirements of our System. The operations of your Food Truck will be limited to the designated territory of your Shop and further limited and restricted

subject to our standards and specifications for the operations of a Food Truck and where a Food Truck may be operated within your designated territory.

Multi-Unit Development Agreement

If we approve your request, in addition to signing a Franchise Agreement in the form attached as Exhibit E, you may enter into a Multi-Unit Development Agreement attached to this Disclosure Document as Exhibit F, to develop and operate multiple Shops. The total number of Shops that you will be required to develop and operate under a Multi-Unit Development Agreement will vary from three Shops to 10 Shops, as negotiated at the time of signing the Multi-Unit Development Agreement. Each Shop must be developed by you within a designated geographic area (the “Development Area”) and each Shop must be developed and operated under the terms of our then current individual unit Franchise Agreement which may differ from the Franchise Agreement included in this Disclosure Document. Your Multi-Unit Development Agreement will include a development schedule (the “Development Schedule”) containing a deadline by which you must develop and open each Shop. Your Development Schedule may vary depending on your Development Area and the number of Shops that you are required to develop.

Unless otherwise specified, the information contained in this Disclosure Document applies to single unit development under a Franchise Agreement and multi-unit development under a Multi-Unit Development Agreement. If you are not contracting for the right to develop multiple Shops, you will not be signing a Multi-Unit Development Agreement. Even if you sign a Multi-Unit Development Agreement, you will also be signing individual Shop Franchise Agreements with the first Shop Franchise Agreement being the Franchise Agreement attached to this Disclosure Document as Exhibit E and signed simultaneous with the signing of the Multi-Unit Development Agreement.

Market and Competition

The marketplace for the menu items, products, and services offered by the Franchised Business is well developed and competitive. You will be competing with numerous restaurants, shops, and food trucks that offer a wide range of food and beverage items in a wide variety of service formats. Competition will include restaurants, shops, and food trucks that operate independently and others that operate as a part of a regional or national chain. The market for the menu items, products and services offered by the Franchised Business is not seasonal unless your Shop is located within a seasonal market.

Industry Specific Laws

Many states and local jurisdictions have laws, rules, and regulations that may apply to your Shop, including rules and regulations related to construction, design and maintenance of your Shop, construction requirements, ventilation requirements, zoning and availability of outdoor patios; health and sanitation requirements for shop operation and employee practices concerning the storage, handling and preparation of food; restrictions on smoking; availability and cleanliness of restrooms; employee health and safety and emergency preparedness; use, storage and disposal of waste; menu labeling; nutrition labeling; and equal access for the disabled including, requirements imposed by The Americans with Disabilities Act of 1990 and state equivalent laws that may affect your shop construction and/or location requirements, specialized entrance ramps, doors, seating, bathroom facilities and other facility requirements. If your Shop will be located within the State of California, the training program will include training related to compliance with the California Retail Food Code and California’s “FAST Act” which requires certain employee minimum wage requirements. You should investigate and evaluate how these regulations and requirements and other regulations and requirements apply in the geographic where you will be locating your Shop. You should consult with your lawyer concerning these and other local laws, rules and regulations that may affect the operation of your Shop.

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ITEM 2 BUSINESS EXPERIENCE

Dan Harmon, Chief Executive Officer (CEO)

Mr. Harmon is our CEO, and he has served in this role since March 2023. Before joining Playa Bowls Mr. Harmon served as Smoothie King's President from August 2019 to February 2023 and Smoothie King's Chief Operating Officer from August 2017 to February 2023 in Dallas, Texas. Before joining Smoothie King, Mr. Harmon served as Senior Vice President of Operations for Papa Murphy's International LLC in Vancouver, Washington from July 2013 to August 2017.

David Krisher, Chief Financial Officer (CFO)

Mr. Krisher is our CFO, and he has served in this role since January 2023. From December 2021 to January 2023, Mr. Krisher was CFO of Krystal Restaurants LLC in Atlanta, Georgia. From August 2019 to December 2021, Mr. Krisher was CFO of Ascent Hospitality Management in Atlanta, Georgia. From February 2019 to August 2019, Mr. Krisher was Vice President of Finance and Accounting at Huddle House, Inc. in Atlanta, Georgia. From October 2018 to January 2019, Mr. Krisher was Director, Financial Planning and Analysis at BlueLinx in Atlanta, Georgia.

Nicolle Dubose, Chief Marketing Officer (CMO)

Nicolle Dubose is our CMO, and she has served in this role since September 2023. From August 2021 to July 2023, Ms. Dubose served as Vice President of Marketing, Scholtzsky's, at Focus Brands in Atlanta, Georgia. From January 2020 to July 2021, Ms. Dubose served as Vice President of Marketing, Carvel, at Focus Brands in Atlanta, Georgia. From August 2018 to January 2020, Ms. Dubose served as Senior Director of Marketing, Carvel, at Focus Brands in Atlanta Georgia.

Abby Taylor, Chief Brand Officer (CBO)

Ms. Taylor is our CBO, and she has served in this role since September 2023. From July 2021 to September 2023, Ms. Taylor served as our CMO. Since our initial formation in June 2016 to July 2021, Ms. Taylor was one of our Managing Members. Since June 2016 and continuing to date, Ms. Taylor has been an owner of our affiliate, Rabby LLC and, since April 2016 and continuing to date, Ms. Taylor has been an owner of our affiliate, Playa Bowls Pier Village LLC. Since July 2014 and continuing to date, Ms. Taylor has been an owner of our affiliate, Playa Bowls, LLC.

Jayson Tipp, Chief Development Officer (CDO) (Interim)

Mr. Tipp is our CDO (Interim), and he has served in this role since September 2023. Prior to joining Playa Bowls, Mr. Tipp served as an independent consultant from January 2023. From October 2021 to January 2023, Mr. Tipp was Chief Marketing Officer of Pokeworks. From January 2021 to September 2021, Mr. Tipp was Chief Growth Office for Perfect Company. From June 2019 to January 2021, Mr. Tipp served as Chief Customer Officer for Bridg. From June 2018 to June 2019 Mr. Tipp was Chief Executive Officer of Pincho Holdings, LLC.

Darlene Schoeneberg, Vice President of Company Operations

Mrs. Schoeneberg is our Vice President of Company Operations, and she began serving in this role as of April 15, 2024. Prior to and up until taking on this role, Mrs. Schoeneberg served as our Vice President of Operations since October 2022. Mrs. Schoeneberg grew up in the restaurant industry and spent her last 20 years with Dunkin Brands where she led the company's largest DMA. From February 2010 to January 2021, Mrs. Schoeneberg was Director of Operations at Inspire Brands.

Kathleen Carroll, Vice President of Franchise Operations

Kathleen Carroll is our Vice President of Franchise Operations and began serving in this role on April 15, 2024. From April 2022 to December 2023, Mrs. Carroll served as Vice President of Operations at Heyday

in New York, New York. From December 2019 to January 2022, Mrs. Carroll served as Chief Operating Officer at Movati Athletic in Ontario, Canada. From August 2016 to November 2019, Mrs. Carroll served as Senior Vice President of Operations at Movati Athletic in Ontario, Canada.

Lindsay Manchester, Director of Learning and Development

Lindsay Manchester is our Director of Learning and Development and has served in this role since January 2024. From November 2021 to January 2024, Ms. Manchester served as our Manager of Learning and Development. From May 2021 to November 2021, Ms. Manchester was Store Director at Event Network at Liberty Science Center in Jersey City, New Jersey. From August 2011 to October 2020, Ms. Manchester was Retail Manager at Six Flags Great Adventure in Jackson, New Jersey.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

**ITEM 5
INITIAL FEES**

Franchise Agreement

When you sign a Franchise Agreement you will pay to us a non-refundable initial franchise fee in the amount of \$35,000 (the “Initial Franchise Fee”). The Initial Franchise Fee is fully earned by us upon payment. The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer through this Disclosure Document, except, as described below.

During the fiscal year ending December 31, 2023, the initial franchise fees for 61 franchisees’ agreements were discounted to an initial franchise fee between \$25,000 to \$30,000. There were 21 franchisees either signing a single unit or multi-unit pack that had agreements discounted. No other franchise fees were discounted or waived in 2023.

Multi-Unit Development Agreement

If you sign a Multi-Unit Development Agreement, you must pay to us a fixed non-refundable development area fee (the “Development Area Fee”) in an amount equal to 50% of the Initial Franchise Fee for each additional Shop, over and above your first Shop, authorized for development under the Multi-Unit Development Agreement. The minimum number of Shops that you may agree to develop is three and the maximum 10. The Development Area Fee is in addition to the Initial Franchise Fee of \$35,000 that you will pay to us at the time of signing the Franchise Agreement for your first Shop. At the time of signing the Franchise Agreement for each additional Shop authorized by the Multi-Unit Development Agreement, you will pay to us 50% of the Initial Franchise Fee. The Development Area Fee is fully earned by us upon payment, represents consideration for a designated development area and, our profit. The method we use to calculate the Development Area Fee is uniform for all franchises that we offer through this Disclosure Document.

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**ITEM 6
OTHER FEES**

Type of Fee ^(Note 1)	Amount	Due Date	Remarks
Royalty ^(Notes 2 and 3)	6% of Gross Sales	Monthly as designated by us	Will be debited automatically from your bank account by ACH or other means designated by us. During the fiscal year ending December 31, 2023, the Royalty Fee for two franchisees' agreements' were discounted to a Royalty Fee of 3%.
National Marketing Fund ^(Note 4)	Up to 3% of Gross Sales, currently 2% of Gross Sales	Monthly as designated by us	Will be debited automatically from your bank account by ACH or other means designated by us. During the fiscal year ending December 31, 2023, the National Marketing Fund Fee for one franchisee's agreement was discounted to a National Marketing Fund Fee of 1%.
Franchisee Directed Local Marketing ^(Note 5)	1% of Gross Sales	Monthly as incurred by you	Must be spent by you monthly on pre-approved marketing within your designated territory.
Technology ^(Note 6)	Up to \$450 per month, currently \$90 per month	Monthly as designated by us	Will be debited automatically from your bank account by ACH or other means designated by us.
Local and Regional Advertising Cooperatives ^(Note 7)	Established by cooperative members, but currently not assessed, but not exceeding 1% of Gross Sales	As established by cooperative members	If we authorize an Advertising Cooperative, fees that you pay to the cooperative will count to the satisfaction of your local marketing requirements and will not exceed local marketing requirements.
Annual Conference Attendance Fee	Our then current conference fee, not greater than \$1,500	When invoiced and before conference	Applies to conference fee for an annual System conference.
Additional Employee Initial Training	Our training fee, currently \$1,000 per person per day	When invoiced and prior to training	There is no initial pre-opening training fee for you or your Managing Owner, one designated general operating manager, and one designated employee. This fee applies to additional individuals that we authorize to attend training.

Supplemental On-Site Training	Our daily rate per trainer, plus expenses we incur. Current rate is \$400 per day	When invoiced and prior to training	If you request or we require on-site training at your Shop, you must pay our then current trainer fee plus our expenses for travel and accommodations.
Interest	18% per annum from due date	On demand	Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed legal rate allowed by law and may be adjusted to reflect same.
Insurance	Actual costs and expenses, plus 20% administrative fee	On demand	If you do not maintain the required insurance coverages, we have the right, but not the obligation, to obtain insurance on your behalf.
Reporting Non-Compliance	\$150 per occurrence	14 days of invoice	Payable for failure to timely submit Royalty and Activity Reports, and other reports and financial statements as required under Franchise Agreement.
Operations Non-Compliance	\$450 to \$1,000 per occurrence	14 days of invoice	Payable for failure to comply with operational standards plus inspection and re-inspection costs incurred by us.
Payment Non-Compliance	\$150 per occurrence	14 days of invoice	Payable for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs, and legal fees.
Audit	Cost of audit	On demand	For costs incurred by us for each financial audit, provided the audit determines underreporting of 2% or greater during any designated audit period. Includes fees incurred by us including audit, legal, travel and reasonable accommodations.
Quality Assurance Audit	Actual costs incurred by us or fees designated by us	As invoiced	Payable to us if we elect to perform or designate a third party to perform periodic quality assurance audits, including mystery shopper type inspections and programs.
Collections	Actual fees, costs, and expenses	On demand	For costs and expenses incurred by us in collecting fees due to us, and/or to enforce the terms of the Franchise Agreement or a termination of the Franchise Agreement. Includes costs and expenses of re-inspections required by quality assurance audit.

Indemnification	Actual fees, costs, and expenses	As incurred	The amount payable is the amount of any claim, liability, or loss we incur from your Franchised Business.
NSF Check Fee or Failed Electronic Fund Transfer	5% of amount or \$50, whichever is greater, or maximum fee allowed by law	On demand	Payable if your bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due from you to us.
Non-Compliance	Actual fees, costs, and expenses	On demand	Fees, costs, and expenses incurred by us as a result of your breach or noncompliance with the terms of your Franchise Agreement.
Supplier Evaluation	Actual fees, costs, and expenses	Within 14 days of invoice	You must pay us the costs incurred by us to review and evaluate a potential supplier, product, or service that you submit to us for approval.
Management Service	10% of Gross Sales, plus actual costs incurred by us	As invoiced	Payable if we elect to manage the Franchised Business due to a failure by you to have the Franchised Business managed by an authorized Managing Owner or Manager.
Relocation	Actual fees, costs, and expenses incurred by us	As incurred	Payable if you wish to relocate the Franchised Business premises.
Transfer	\$10,000	On demand	Payable if we approve your transfer request and upon signing our then current Franchise Agreement.
Renewal	Our then current initial franchise fee	On signing renewal Franchise Agreement	Payable if we approve your renewal request and upon signing our then current Franchise Agreement.

Explanatory Notes to Item 6

Note 1: Type of Fee – The above table describes fees and payments that you must pay to us, our affiliates, or that our affiliates may impose or collect on behalf of a third party. All fees are uniformly imposed for franchises offered under this Disclosure Document, are recurring, are not refundable, and are payable to us, unless otherwise specified. If you enter into a Multi-Unit Development Agreement or open multiple Shops then these fees shall apply, respectively, to each Shop subject to the terms of their respective franchise agreement. Payment is subject to our specification and instruction, including, our election to have all fees automatically drafted from your business bank account or automatically debited or charged to your business bank account. You will be required to sign an ACH Authorization Form (Franchise Agreement, Exhibit 7) permitting us to electronically debit your designated bank account for payment of all fees payable to us and/or our affiliates. You must deposit all receipts and Gross Sales of your Shop into the designated bank accounts that are subject to our ACH authorization. You must install and use, at your expense, the pre-authorized payment, point of sale, credit card processing, automatic payment, automated banking, electronic debit and/or electronic funds transfer systems that we designate and require in the operation of

your Shop. You must pay all fees charged by your bank in connection with our ability to debit your bank account.

Note 2: Royalty Fees – The royalty fee is a continuing monthly fee equal to 6% (the “Royalty Rate”) of your monthly Gross Sales (the “Royalty Fee”). If any federal, state, or local tax other than an income tax is imposed on the Royalty Fee which we cannot directly, and dollar for dollar, offset against taxes required to be paid under any applicable federal or state laws, you must compensate us in the manner prescribed by us so that the net amount or net effective Royalty Fees received by us is not less than 6% of your Gross Sales.

Note 3: Gross Sales – “Gross Sales” means the total dollar sales from all business and customers of your Shop and includes the total gross amount of revenues, receipts, and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person or Corporate Entity from business conducted or which started in, on, from or through your Shop and/or your Shop Location, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Sales include the total gross amount of revenues, receipts, and sales from whatever source derived from and/or derived by you (including any person and/or Corporate Entity acting on your behalf) from business conducted within and/or outside your designated territory that is related to your Shop and/or a competitive business located and/or operated at your Shop Location, within your designated territory, outside your designated territory, and/or otherwise. Gross Sales does not include sales taxes that you collect and remit to the proper taxing authority or promotional discounts that are authorized by us in writing and provided by you to customers of the Franchised Business.

Note 4: National Marketing Fund – The national marketing fund fee is a continuing monthly fee equal to an amount of up to 3% of your monthly Gross Sales (the “National Marketing Fund Fee”). Currently we charge a National Marketing Fund Fee equal to an amount of 2% of your monthly Gross Sales but reserve the right to increase this fee at any time in the future.

Note 5: Franchisee Directed Local Marketing – On an on-going monthly basis, you must spend not less than 1% of your monthly Gross Sales on the local marketing of your Shop within your designated territory and in accordance with our standards and specifications.

Note 6: Technology Fee – The continuing monthly technology fee is an administrative fee and is not associated with any particular service but is used, at our discretion, to defray some of our costs related to system website and intranet (the “Technology Fee”). Currently we charge a monthly Technology Fee in an amount equal to \$90 per month but reserve the right to increase this fee at any time in the future provided that the monthly Technology Fee shall not exceed \$450 per month.

Note 7: Local and Regional Advertising Cooperatives – If two or more Shops are operating within a geographic area, region, or market designated by us (a “designated market”), we reserve the right to establish and require your participation in a local or regional advertising cooperative within the designated market. If a local or regional advertising cooperative is established within a designated market that includes your Shop(s), you will be required to participate in the cooperative and make on-going payments to the cooperative in such amounts and subject to such caps as established by the cooperative members. We anticipate that each Shop franchisee will have one vote for each Shop located within the cooperative market and that cooperative decisions shall be made based on approval of a simple majority vote with a quorum of not less than 25% of the designated cooperative members. Contributions to a local or regional cooperative that we designate shall count toward the satisfaction of your local marketing obligations and shall not exceed 1% of your monthly Gross Sales.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (Note 1)	\$35,000	Lump sum	When Franchise Agreement is signed	Us
Construction and Leasehold Improvements (Note 2)	\$50,000 – \$300,000	As arranged	As incurred	Contractors, suppliers, and/or landlord
Lease Deposits and Rent – Three Months (Note 3)	\$10,000 – \$33,333	As arranged	As incurred	Landlord
Furniture, Fixtures and Equipment (Note 4)	\$50,000 – \$115,000	As arranged	As incurred	Suppliers
Signage (Note 5)	\$2,000 – \$18,000	As arranged	As incurred	Suppliers
Computer, Software, and Point of Sale System (Note 6)	\$1,300 – \$6,000	As arranged	As incurred	Suppliers
Grand Opening Marketing (Note 7)	\$10,000	As arranged	As incurred	Suppliers
Initial Inventory (Note 8)	\$10,000 – \$30,000	As arranged	As incurred	Suppliers
Utility Deposits (Note 9)	\$0 – \$1,500	As arranged	As incurred	Suppliers
Insurance Deposits – Three Months (Note 10)	\$1,875 – \$2,625	As arranged	As incurred	Insurers
Travel for Initial Training (Note 11)	\$1,000 – \$10,000	As arranged	As incurred	Airlines, hotels, shops
Professional Fees (Note 12)	\$5,500 – \$20,000	As arranged	As incurred	Attorneys, accountants, architects, advisors
General Licenses and Permits (Note 13)	\$2,000 – \$15,000	As arranged	As incurred	Government
Additional Funds – Three Months (Note 14)	\$10,000 – \$40,000	As arranged	As incurred	Us, employees, suppliers, landlord
Total Estimate (Note 15)	\$188,675 – \$636,458			

Explanatory Notes to Item 7 for a Franchise Agreement

Note 1: Initial Franchise Fee – The Initial Franchise Fee for a single franchise under a Franchise Agreement is \$35,000. All fees are non-refundable. We do not finance any portion of your initial fees.

Note 2: Construction and Leasehold Improvements – This estimate is for the cost of construction, construction management and build-out of a Playa Bowls Shop Location but does not include costs associated with furniture, fixtures and equipment which are separately disclosed in this Item 7. This estimate assumes that the typical square footage of a Shop ranges from 1,500 to 2,000 square feet and that the site of the Shop location that you select is delivered to you in an enhanced shell condition with pre-installed improvements including installed and functional HVAC systems, essential lighting, electrical switches and outlets, lavatories, a finished ceiling, walls prepared for painting and a concrete slab floor. This estimate assumes that structural modifications are not required for the installation of any exhaust hood or exhaust ventilation systems. This estimate does not include architectural fees or other fees charged by licensed professionals other than general contractors and licensed tradesmen and does not include any special heating, cooling, ventilation, fire suppression, or exhaust ventilation systems. The costs for developing your Shop may be higher or lower than the estimates provided.

Note 3: Lease Deposits and Rent – Three Months – You must operate your Playa Bowls Shop from a Shop Location that we approve and that complies with state and local law. If you do not already own or lease a suitable location you will be required to lease a location that has been approved by us as meeting our brand standards. This estimate assumes that you will be leasing your Shop Location and is limited to the estimated amount of your initial lease deposit and initial three months of rent. The typical square footage of a Shop ranges from 1,500 to 2,000 square feet. The amount of your lease deposit and rent is highly variable and is something that you will directly negotiate with your landlord. This estimate does not include the purchase of real property.

Note 4: Furniture, Fixtures and Equipment – Subject to our brand standards and specifications, you will be required to purchase certain types of furniture, fixtures, and equipment for your Shop from us, our approved manufacturers, and suppliers and/or subject to our specifications. Equipment that you must purchase for your Shop include a reach-in or walk-in refrigerator, a reach-in or walk-in freezer, low-boy refrigerator/freezer, ice maker, prep tables, commercial grade blenders, commercial grade juicers, and custom-built knee wall kegerator. The costs for furniture, fixtures, and equipment for your Shop will vary depending on the material quality, the location of your Shop, the square footage of your Shop, and other factors. This estimate does not include transportation or set up costs. This estimate assumes that you will be leasing some of the equipment for your Shop. If you elect to purchase equipment, your costs may be higher than the estimate.

Note 5: Signage – You are required to purchase, subject to our design and construction specifications and approval, interior and exterior signs and displays that we designate. This estimate is for the cost to produce wall signage to be mounted to the exterior of your Shop and interior signs and displays.

Note 6: Computer, Software, and Point of Sale System – You will be required to purchase, license, and use the point of sale systems, ordering systems, and applications that we designate. Information about the point of sale and computer systems are disclosed in **Item 11** of this Disclosure Document.

Note 7: Grand Opening Marketing – You must spend a minimum of \$10,000 to market the grand-opening of your Shop. You must submit your grand opening marketing plan to us for our pre-approval.

Note 8: Initial Inventory – This estimate is for your initial pre-opening inventory and initial supply of uniforms, paper goods, packaging materials, menu item ingredients and System Supplies required for the opening of your Shop .

Note 9: Utility Deposits – This estimate is for initial deposits paid to utility service providers such as services for gas, electric, water, sewer, and internet access.

Note 10: Insurance Deposits – Three Months – This estimate is for initial down payment and first three months of installment payments paid to insurance providers to secure and maintain minimum insurance coverage requirements designated by us. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company and agent.

Note 11: Travel for Initial Training – This estimate is for the travel and accommodation expenses associated with your attendance and participation in our pre-opening training program. This estimate is for estimated travel and lodging expenses only and will be influenced by the number of participants authorized to participate in our initial training program and the accommodations you select.

Note 12: Professional Fees – This estimate is for costs associated with legal, accountant, and architectural service providers engaged by you to review and advise you as to your legal obligations, accounting strategy, and architectural and construction obligations. You will be required to hire an architect to develop plans that meet our standards and specifications and comply with applicable laws, rules and regulations for the development and operation of your Shop. We recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity. You should also consult with a lawyer to review lease agreements other contracts that you will enter into as part of the development and operation of your Shop.

Note 13: Licenses and Permits – This estimate is for customary and basic business permits and licenses required to operate a Shop. Licenses, license fees, and licensing obligations will vary depending on local, municipal, county and state regulations. You should investigate all licensing requirements and costs prior to signing a Franchise Agreement.

Note 14: Additional Funds – This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities for the initial three month period following the opening of your Shop. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you finance the development of your Shop. In making this estimate, we have relied on the experiences of our affiliates and franchisees in developing and operating a Shop. This is only an estimate for your initial three months of operations and more working capital and additional funds may be required depending on the sales and performance of your Shop.

Note 15: About Your Estimated Initial Investment – This is an estimate of the initial start-up expenses for a Playa Bowls Shop. We have based these estimates on the experiences of our affiliates and franchisees in developing a Playa Bowls Shop. These are only estimates and your costs and, the range of those costs, may vary. These estimates do not include interest and financing charges that you may incur, and they do not include management level compensation payable to you or your owners. If you sign a Multi-Unit Development Agreement, the estimated amount will be required for each Shop that you develop.

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B. Multi-Unit Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Area Fee ^(Note 1)	\$35,000 – \$157,500	Lump sum	When Franchise Agreement and Multi-Unit Development Agreement are signed	Us
Estimated Initial Investment to Open Shop ^(Note 2)	\$188,675 – \$636,458	Estimated Initial Investment is based on the estimate contained in Table A of this Item 7 for a Franchise Agreement.		
Total Estimate ^(Note 3)	\$223,675 – \$793,958			

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

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

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

Note 3: Total Estimate – This estimate is only for the development of one Playa Bowls Shop, and, except for your first Playa Bowls Shop, this estimate does not include the estimated initial investment that you will incur each and every time you develop a Shop as may be authorized under your Multi-Unit Development Agreement and under the terms of each respective Playa Bowls Franchise Agreement.

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ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only offer and sell the Approved Products and Services. You may only use those products, supplies, equipment, technology systems, and services that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and System development are maintained, you must operate your Shop in strict conformity with the Franchise Agreement and the methods, standards, specifications, and sources of supply that we designate and prescribe in the Operations Manual or as we may otherwise designate and approve in writing.

Source Restricted Purchases and Leases – Generally

We require that you purchase or lease certain source restricted goods and services for the development and operation of your Shop. Source restricted goods and services are goods and services that must meet our specifications and/or that must be purchased from an approved or designated supplier that may include us or our affiliates. We may designate a supplier, including ourselves or our affiliates, as the exclusive supplier for the System. Our specifications and list of approved and designated suppliers is contained in our Operations Manual. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments, and updates to our Operations Manual, and other forms of communication. We formulate and modify our standards and specifications for products and services based on our industry experience and our management decisions as to the overall operation and expansion of the System. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval.

Suppliers and Supplier Criteria

We may designate ourselves and our affiliates as exclusive suppliers of source restricted goods and services. We may designate ourselves or a third party as the sole and exclusive supplier irrespective of the existence of competing suppliers. If, in the Operations Manual, we do not designate a supplier for a particular item, you will purchase all such products, supplies and services from suppliers who meet our specifications and standards. Currently, we are not, and our affiliates are not approved suppliers of the source restricted goods and services identified below. Currently no officer of ours owns an interest in any of our designated suppliers.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved or designated by us in writing, you must send us a written request for approval and submit additional information, samples, and testing data that we may request. We may charge you a fee equal to the costs and expenses that we incur in reviewing and evaluating an alternate supplier, product, and/or service requested by you. We may request that you send us samples from the supplier for testing and documentation from the supplier for evaluation. We may also require, subject to our discretion, that we be allowed to inspect the supplier's facilities. We will notify you of our approval or disapproval within a reasonable time not exceeding 60 days after we receive your written request and all additional information and samples that we request. We may, in our sole discretion, withhold our approval. We do not make our procedures or criteria for approving suppliers available to our System franchisees, except that when evaluating the approval of a particular supplier, among other things, we consider: whether the supplier can demonstrate to our reasonable satisfaction the ability to meet our standards, specifications and production requirements, the supplier's quality control, whether or not we are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and whether or not the supplier's approval, in our sole determination, will allow us to advance the overall interests of the System and our company.

We estimate that your purchase of goods and services from us or our approved suppliers, or that must conform to our specifications, will represent approximately 57% to 67% of your total purchases in establishing your Shop and approximately 70% of your total purchases in the continuing operations of your Shop. We currently require that you purchase or lease the following source restricted goods and services:

1. Lease – We do not review the terms of the lease for your Shop Location but require that your landlord acknowledge our rights as set forth in the lease agreement rider attached as Exhibit 4 to the Franchise Agreement (the “Lease Agreement Rider”) and that you collaterally assign the lease to us as set forth in the collateral assignment of lease attached as Exhibit 5 to the Franchise Agreement (the “Collateral Assignment of Lease”). We possess the right to disapprove of a proposed lease if the landlord refuses to sign the Lease Agreement Rider in substantially the form set forth in Exhibit 4 to the Franchise Agreement. The Lease Agreement Rider grants certain rights to us, including our right to be notified in the event of a lease default and, potentially, for us to enter the premises of your Shop.

2. System Supplies – Your Shop must maintain an initial and ongoing inventory of System Supplies. You must purchase the System Supplies, as designated by us, from us, our affiliates, and/or our designated suppliers.

3. Furniture and Fixtures – Your Shop must be equipped with branded and unbranded furniture and fixtures that we designate and that meet our standards and specifications. You may purchase unbranded furniture and fixtures from any supplier of your choosing, provided that the furniture and fixtures meet our specifications and standards, which may also include specified manufacturers, brands, and models. If the furniture and fixtures that we designate are specified to be branded with the Licensed Marks, then you may only purchase them from our designated exclusive suppliers.

4. Signage – The signage for your Shop must meet our standards and specifications and must be purchased from our designated suppliers.

5. Point of Sale System and Computer Equipment – Currently you are required to purchase, license, and utilize a Clover point of sale system with one configured hardware terminal. Additionally, you must purchase and maintain a computer system on-site at your Shop Location. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as printers. You will be required to meet our requirements involving back office and point of sale systems, security systems, printers, back-up systems, and high-speed internet access.

6. Credit Card Processing – You must use our designated supplier and vendor for credit card processing which may be integrated with the point of sale system that we designate. Credit card processing fees will, generally, be based on a percentage of all credit card processed Gross Sales.

7. Online Ordering, Customer Rewards, and Gift Cards – You must use our designated supplier and vendor for the ability to access and use online, point of sale integrated, web based, and/or app based, ordering, customer rewards, and/or gift card systems. Currently our designated vendor for the gift card program system is Clover. Currently our designated vendor for online ordering services is Tap Mago Inc. As you access and utilize these systems you will pay usage fees based on a percentage of your processed Gross Sales.

8. Third Party Delivery Services – The operations of your Shop must comply with our policies, procedures, requirements, and restrictions respecting the use of third party food delivery services and third party online ordering services. We may restrict or prohibit your use of and/or participating in third party delivery services and/or third party online ordering services. To the extent that we grant you the

right to use a third party delivery service and/or online ordering service we may require that you do so through accounts and/or agreements controlled by us.

9. Branded Items and Marketing Materials – All materials bearing the Licensed Marks (including, but not limited to, stationary, business cards, brochures, apparel, signs and displays) must meet our standards and specifications and must be purchased from either of us directly or our designated suppliers. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market your Shop through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us or our designated exclusive supplier. We may require that you exclusively use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors, and marketing channels.

10. Insurance – You must obtain the insurance coverage that we require from time to time as presently disclosed in the Operations Manual and as we may modify. All insurance policies required under your Franchise Agreement and as set forth in the Franchise Agreement must be written by a responsible carrier, reasonably acceptable to us and all insurance (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, representatives, and independent contractors as additional insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to use at the earlier of 90 days after the Effective Date of the Franchise Agreement or prior to the commencement of our initial training program. Insurance coverage must be at least as comprehensive as the minimum requirements set forth below and in the Franchise Agreement (Franchise Agreement, Article 8). You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits.

Insurance Requirements

- a) Coverage against direct physical loss or damage to real and personal property, including improvements and betterments, written on a special form peril basis, including flood and earthquake, if the relevant property is situated in a flood or earthquake zone, in an amount equal to 100% of the Franchised Business' property value and with a deductible not more than \$5,000;
- b) Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. There may be no products liability or completed operations exclusion. There may be no "injury to subcontractor employee," or its equivalent, exclusion. The commercial general liability policy must provide coverage to you for the hold harmless and indemnity clauses contained in your Franchise Agreement;
- c) Statutory workers' compensation insurance and employers' liability insurance as required by the law of the state in which the Franchised Business is located, including statutory workers' compensation limits and employers' liability limits of at least \$1,000,000;
- d) Business automobile insurance, including liability insurance coverage for hired and non-owned automobiles, with a combined single bodily injury and property damage limit of at least \$1,000,000 per occurrence;

- e) Business interruption insurance equal to 12 months of your net income and continuing expenses including Royalty Fees;
- f) Commercial umbrella liability insurance with total liability limit of at least \$2,000,000 per occurrence and \$2,000,000 in the aggregate;
- g) Cyber insurance, including data breach expense, with coverage for first party and third party claims, in the amount of not less than \$1,000,000, and regulatory expense coverage in the amount of not less than \$250,000;
- h) Employer's liability insurance with a limit of a least \$1,000,000 per accident, \$1,000,000 each employee by diseases, and \$1,000,000 policy limit by disease;
- i) Employment practices liability insurance with a limit of at least \$1,000,000, including actions of a third party and a minimum limit of \$100,000 for wage and hour disputes; and
- j) All other insurance that we require in the Operations Manual or that is required by law or by the lease or sublease for the Franchised Business.

Purchase Agreements and Cooperatives

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the Shops under the System. We may limit the number of approved vendors and/or suppliers that you may purchase from, and we may designate one vendor as your sole supplier. Our affiliate, Rabby LLC, has a revenue share arrangement with our designated supplier, Yummy Acai LLC, where Rabby LLC receives rebates on tub and case sales of acai and coconut products. We have a purchasing arrangement with Pepsi where Pepsi is our only approved soft drink supplier. Except as to the foregoing, there are no purchase or supply agreements in effect for source restricted products or services and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on your purchases and we reserve the right to institute and expand rebate programs in the future. During the fiscal year ending December 31, 2023, we earned \$2,200,390 in rebates from franchisee purchases. This represents 86% of our total revenue of \$2,567,614. During the fiscal year ending December 31, 2023, our affiliate Rabby LLC earned \$2,474,838 in revenue from Yummy Acai LLC from franchisee purchases. We do not provide our franchisees with any material benefits based on a franchisee's purchase of particular products or services or use of particular suppliers.

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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.

Table Abbreviations: “FA” – Franchise Agreement; “DA”– Multi-Unit Development Agreement

Obligation	Articles in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA: 2.A., 3.A. and 3.B. DA: 2, 5.5 and 5.6	7 and 11
b. Pre-opening purchases and leases	FA: 3 and 8 DA: Not applicable	7 and 8
c. Site development and other pre-opening requirements	FA: 3, 4, 7.F., 7.G., 7.I., 7.J., 8 and 9 DA: 2, 5.5 and 5.6	6, 7 and 11
d. Initial and ongoing training	FA: 4, 7.J., 14.C. and 14.D. DA: Not applicable	11
e. Opening	FA: 2, 3, 4 and 9.B. DA: 2, 3, 4.1, 4.4 and 4.5	11
f. Fees	FA: 3, 4.A., 5, 9, 10, 12, 13, 14, 15, 16 and 18.N. DA: 4, 5.2 and 7.13	5, 6 and 7
g. Compliance with standards and policies/manual	FA: 3, 4, 5, 7, 8, 9, 11, 12 and 13 DA: 2 and 5	8 and 11
h. Trademarks and proprietary information	FA: 6, 7 and 11 DA: 2, 5 and 7.3	13 and 14
i. Restrictions on products and services offered	FA: 3, 4.C. and 7 DA: 2 and 5	8, 11 and 16
j. Warranty and customer service requirements	FA: 7 DA: Not applicable	16
k. Territorial development and sales quotas	FA: 2 and 3 DA: 4	12
l. Ongoing product and service purchases	FA: 3, 4.C., 5 and 7 DA: Not applicable	8
m. Maintenance, appearance, and remodeling requirements	FA: 3 and 7 DA: 5	7 and 17
n. Insurance	FA: 8 DA: Not applicable	7 and 8
o. Advertising	FA: 3.F., 4.B., 7.I., 9 and 11 DA: Not applicable	6, 8 and 11
p. Indemnification	FA: 10 and 11.E. DA: Not applicable	6 and 13
q. Owner’s participation, management, and staffing	FA: 4, 6 and 7 DA: 2.5 and 6.2	11 and 15
r. Records and reports	FA: 5, 9, 12 and 13 DA: Not applicable	6
s. Inspections and audits	FA: 5, 7.K. and 13 DA: Not applicable	6 and 11

Obligation	Articles in Agreement	Disclosure Document Item
t. Transfer	FA: 14 DA: 6	17
u. Renewal	FA: 15 DA: 3	17
v. Post-termination obligations	FA: 6, 10, 11, 17 and 18 DA: Not applicable	17
w. Non-competition covenants	FA: 6, 17 and 18 DA: Not applicable	17
x. Dispute resolution	FA: 18.F. and 18.G. DA: 7	17
y. Individual guarantee of franchisee obligations	FA: 2.C., 6, 7.J., 14.C., 14D., 14.E. and 17.C. DA: 2.3 and 6.2	9

**ITEM 10
FINANCING**

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

**ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING,
COMPUTER SYSTEMS AND TRAINING**

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

Pre-Opening Obligations

1. Grant of Franchise – We will grant you the right to operate a Shop at a single Shop Location within a designated territory. (Franchise Agreement, Article 2);

2. Franchise Agreement Designated Territory – Once you secure a Shop Location that we approve, we will define the Designated Territory for your Shop and include the geographic boundaries and/or a description of your Designated Territory within Schedule 1 of the Franchise Agreement. (Franchise Agreement, Article 2, and Schedule 1);

3. Multi-Unit Development Agreement Development Area – If you have entered into a Multi-Unit Development Agreement, we will designate your Development Area. The Shops to be developed by you must be located within the Development Area. Once you select a Shop Location that we approve within the Development Area, within the Franchise Agreement for each respective Shop we will define the Designated Territory and include the geographic boundaries and/or a description of your Designated Territory for each respective Shop. (Multi-Unit Development Agreement, Section 2). Our approval or disapproval of future Shop locations that may be developed under a Multi-Unit Development Agreement will be based on our then current site selection criteria;

4. Operations Manual – We will provide you with access to our confidential and proprietary Operations Manual. You must operate the Franchised Business in accordance with the Operations Manual and all applicable laws, rules, and regulations. At all times, we reserve the right to supplement, modify and update the Operations Manual. (Franchise Agreement, Article 4.C.). As of the Issuance Date of this Disclosure

Document, the Operations Manual consists of 110 pages and the table of contents to the Operations Manual is attached as Exhibit C to this Disclosure Document (Franchise Agreement, Article 4). The major subjects contained in the Operations Manual consists of establishing, developing, marketing, and operating the Franchised Business;

5. Site Review, Approval and Designated Territory – We will review the proposed site that you select for your Shop and will notify you of our approval or disapproval.. Once you select a site that we approve for the location of your Shop, we will designate your Designated Territory. However, if you negotiate and we agree to designate and grant to you a Designated Territory prior to your selection of a Shop, then you must locate your Shop within the Designated Territory and at a site that we approve. You must obtain our approval of your Shop Location. Additional information about site selection is discussed in more detail below in this Item 11;

6. Approved Suppliers and Distributors – We will provide you with a list of our approved suppliers and distributors, either as part of the Operations Manual or otherwise in writing. (Franchise Agreement, Articles 3 and 4);

7. Signs, Equipment, Furniture, and Fixtures – We will provide you with a list of our approved signage, equipment, furniture, and fixtures, either as part of the Operations Manual or otherwise in writing and we will review and approve, in our discretion, your proposed signage, equipment, furniture and fixtures. We do not provide assistance in delivering or installing signs, equipment, furniture, or fixtures. (Franchise Agreement, Articles 3 and 4);

8. Website and Digital Media – We will identify your Shop on our website. You may not use any websites, web-based media or digital media unless expressly approved by us in writing. We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us. (Franchise Agreement, Articles 3.F. and 9); and

9. Initial Training – Not less than 30 days prior to the opening of your Shop you or your Managing Owner, one management level employee or Owner, and one designated employee must attend and complete our initial training program. We will provide you, your designated general operating manager, and one designated employee with training in accordance with our initial training program. (Franchise Agreement, Article 4). Our current training program is to be attended by you, or if you are a Corporate Entity, your Managing Owner, one Operating Manager, and one designated employee at our training facilities located in Belmar, New Jersey or other location designated by us. The training program takes place over an approximate two-week period and is described below in this Item 11 in more detail. If your Shop will be located within the State of California, the training program will include training related to compliance with the California Retail Food Code and California’s “FAST Act” which requires certain employee minimum wage requirements.

Site Selection

Although you are responsible for selecting a site for your Shop Location you must obtain our approval of your Shop Location. If determined necessary by us, we may conduct an on-site evaluation of the proposed site for your Shop Location. We do not typically own or lease the real property that will serve as your Shop Location, and you are responsible for all costs and expenses in locating and evaluating proposed sites and the demographic data associated with your proposed sites. Before you enter into a lease or other agreement for your Shop Location you must obtain our approval. We will provide you with site selection guidelines. If your Franchise Agreement specifies and designates a Designated Territory, your Shop Location must be located within your Designated Territory at a site that we approve. If you sign a Multi-Unit Development Agreement then each Shop Location must be located within the Development Area designated in the Multi-Unit Development Agreement and, as applicable, at sites that we approve within the Development Area.

Your rights in your Shop Location must be subordinate to our rights as set forth in the Lease Agreement Rider attached as Exhibit 4 to the Franchise Agreement and the Collateral Assignment of Lease attached as Exhibit 5 to the Franchise Agreement.

Although there is no specified time limit for us to review the proposed site for your Shop Location, we will do so within a reasonable time period, not exceeding 30 days of our receipt of your written request for our review of a proposed site and your submission to us of the information and documentation that we may request. In determining whether to approve or disapprove a proposed site for your Shop Location, factors that we take into consideration include: (a) demographic factors, traffic patterns, parking, building structures, visibility and available sign locations; (b) characteristics of the proposed site; (c) the location of your proposed site relative to your overall Designated Territory and proximity to other Shops, if your Designated Territory was previously designated; (d) the location of your proposed site relative to your overall Development Area and proximity to other Shops, if you signed a Multi-Unit Development Agreement and your Development Area was previously designated; and (e) whether or not the landlord for the Shop Location approves of our Lease Agreement Rider in substantially the same form as contained in Exhibit 4 of the Franchise Agreement.

Within 180 days of signing your Franchise Agreement you must secure a Shop Location and lease that we approve (Franchise Agreement, Article 3.A.). If you do not meet this requirement for any reason, including our disapproval of a proposed shop location and/or your failure to find a suitable shop location that we approve during the 180 day period, we may terminate your Franchise Agreement without refunding any fees to you if you do not cure this default within 30 days of notice from us. It is your obligation to consult with government agencies, architects, and legal professionals to evaluate and determine that your Shop Location permits the establishment and operation of the Franchised Business and that you possess the necessary licenses and authority to operate a shop that offers and provides the Approved Products and Services. (Franchise Agreement, Articles 2, 3, 7 and 16).

Time to Open

You may not open your Shop until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Designated Territory, obtained and provided us with written proof of the required insurance, and have timely secured a Shop Location that we approved.

We estimate that the length of time between the signing of your Franchise Agreement and opening your Shop to be approximately nine to 12 months. Factors that may affect this estimated time period include: (a) evaluating and selecting a suitable site for your Shop Location; (b) timeliness of your submission to us of information and documentation that we may request in determining whether or not to approve of the site for your proposed Shop Location; (c) length of time taken by you to successfully complete our initial training program; (d) negotiating and obtaining a suitable lease for your Shop Location that is approved by us; (e) obtaining third party lender financing, if necessary; and (f) obtaining the necessary licenses for the operation of your Shop. Other factors that may affect this time period include availability of equipment, delays associated with equipment installation and the construction and/or installation of your leasehold improvements and fixtures. You must open your Shop within 12 months from the effective date of your Franchise Agreement, otherwise we may terminate your Franchise Agreement without refunding any fees to you. (Franchise Agreement, Article 3.C.).

Post-Opening Obligations

1. Supplemental Training – We may require that you and your Operating Manager participate in supplemental on-site training that we may designate and require in our discretion. We may provide, in our discretion, supplemental training on-site at your Shop Location. You will be required to pay our then current

supplemental training fee, currently \$400 per on-site trainer per day, plus travel expenses, meals and accommodation expenses incurred by us. (Franchise Agreement, Article 4.A.);

2. Initial Training for Replacement Operating Manager(s) – Your Operating Manager must complete, to our satisfaction, our initial training program. We will offer and make available to your replacement Operating Manager our initial training program which must be complete to our satisfaction. The initial training program will be provided by us at the facilities that we designate that, presently, is comprised of our affiliate owned Shops located in Belmar, New Jersey or at other Shops that we may designate. You will be required to pay our then current supplemental training fee for your replacement Operating Manager, currently \$1,000 per manager per day for each replacement manager attending our initial training. You will also be responsible for all costs incurred by your managers in attending our initial training (Franchise Agreement, Articles 4.A. and 7.J.);

3. Communication of Operating Standards – We may establish, update and provide you with consultations and communications as to the standards, procedures and System requirements as to the operation of your Shop including, but not limited to, Approved Products and Services, System Supplies, marketing and promotion standards, and as we may, in our discretion, designate, modify, supplement and amend from time to time and as set forth in the Operations Manual which we may, in our discretion, modify from time to time. (Franchise Agreement, Articles 4.B. and 4.C.);

4. Marketing Standards and Approval – We may establish, update, and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing materials and mediums that you may utilize. We will respond to your request respecting the communication of our approval or disapproval of marketing materials and mediums that may be requested by you for use in the marketing and promotion of the Franchised Business. We maintain full discretion as to the marketing standards and the marketing materials and media that you may use in the marketing and promotion of the Franchised Business (Franchise Agreement, Article 4.B.);

5. Approved Vendors – We will provide the names and addresses of approved vendors and suppliers for the Approved Products and Services and the System Supplies. (Franchise Agreement, Articles 4.B. and 4.C.);

6. Annual System Conference – We may, in our discretion, coordinate an annual conference to be attended by franchisees of the System that are in good standing. We may charge an annual conference fee not exceeding \$1,500. You will be responsible for all travel and accommodation expenses associated with your attendance at the conference. (Franchise Agreement, Articles 4.B. and 5.C.);

7. Administration of Marketing Funds – We may administer and manage System-wide marketing funds comprised of a National Marketing Fund and/or Advertising Cooperative. (Franchise Agreement, Articles 9.A. and 9.F.);

8. Hiring and Training of Employees – We do not provide assistance with the hiring and training of your employees. You will be directly responsible for the management and supervision of your employees. For the protection of the System, you must ensure that all employees wear and maintain the proper uniforms with our approved System branded apparel and uniforms including, but not limited to, the apparel and uniforms comprising System Supplies. You must monitor and ensure that all System Supplies and Approved Products and Services are prepared, maintained, and served in accordance with the System standards and Operations Manual; and

9. Pricing – As permitted by law, we reserve the right to designate the maximum, minimum, promotional, and other prices, and promotions that you may charge and offer for Approved Products and Services

(Franchise Agreement, [Articles 3.D.](#) and [3.E.](#)). Our designation of pricing is not a guarantee that you will achieve a specific level of sales or profitability.

Advertising

1. **Generally** – All advertising, marketing, marketing materials and all marketing mediums used by you in the marketing and promotion of your Shop must be pre-approved by us in writing and conform to our standards and specifications. You may only utilize those advertising and marketing materials and mediums that we designate and approve in writing. In our discretion, we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and digital media that you may utilize at your own expense. If you wish to utilize marketing materials and/or marketing mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 15 days of your submission of the written request and sample marketing materials. We are not required to spend any amount on your behalf on advertising in your designated territory and we are not required to conduct any advertising on behalf of the franchise System or on your behalf. (Franchise Agreement, [Article 9](#));

2. **Local Marketing** – You are not authorized to engage in any marketing unless it is pre-approved by us in our discretion (Franchise Agreement, [Article 9.B.](#)). On an on-going and monthly basis, you must spend not less than 1% of your monthly Gross Sales on the local marketing of your Shop. We will review your local marketing programs and notify you if we approve same. We will make available to you and provide you with access, in the form of a source document, to our approved marketing campaigns, media, and messaging that may be used by you. In those instances where we provide you with access to our marketing campaigns, we provide you with the source designs, copy, and design specifications. However, you will incur the direct costs associated with customizing, duplicating, and using such marketing campaigns and in having them printed, distributed and/or placed with media sources. (Franchise Agreement, [Article 9](#));

3. **Digital Media and Website** – All digital media and marketing must be approved by us. We will designate for your Designated Territory information about your Shop on the www.playabowls.com webpage or such other websites as we may designate for the System. (Franchise Agreement, [Article 9](#));

4. **National Marketing Fund** – We may control and administer a national marketing fund (the “National Marketing Fund”) (Franchise Agreement, [Article 9.A.](#)). As disclosed in [Item 6](#) of this Disclosure Document, you may be required to contribute a monthly sum not to exceed 3% of monthly Gross Sales to the National Marketing Fund. Currently, we charge a National Marketing Fund Fee equal to an amount of 2% of your monthly Gross Sales. We may use the National Marketing Fund for market studies, research, service development, product development, testing, research studies, technology development, advertising and public relations studies or services, creative production and printing of advertising and marketing materials, advertising copy and commercials, tracking costs, agency fees, advertising councils, franchisee advisory councils, administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising and public relations, and any other costs associated with the development, marketing and testing of advertising, marketing and public relations materials, and the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate owned Shops may but are not required to contribute to the National Marketing Fund. The National Marketing Fund will maintain unaudited financial records detailing its expenditures and will make available to you, no more frequently than one time in any 12 month period, an unaudited accounting of how monies contributed to the National Marketing Fund were spent each year. We are not required to segregate the National Marketing Fund from our general operating funds, and we are not a fiduciary or trustee of the National Marketing Fund. The National Marketing Fund will not be used to directly promote your Shop or the marketing area in which your Shop will be located.

(Franchise Agreement, Article 9.A.). We may use the National Marketing Fund to develop and test various media and technologies for potential use and/or improvement of the operations of Shops and the marketing of Shops. These technology developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web offerings that may or may not be implemented on behalf of Shops. You may or may not benefit from these technology developments and improvements. The National Marketing Fund will be uniformly imposed upon all franchisees. (Franchise Agreement, Article 9.A.).

We may use the National Marketing Fund to compensate ourselves for administrative fees associated with managing the National Marketing Fund and for our internal employee salaries, expenses and overhead associated with or reasonably allocated to managing the activities of the National Marketing Fund and performing services on behalf of the National Marketing Fund including, but not limited to, directing, developing, and managing media of the National Marketing Fund. We will not use the National Marketing Fund to directly market the sale of Shops but may do so indirectly by requiring and including information as to the availability of Shop franchises for sale and contact information for franchise inquiries on and within advertising, marketing, and brand development materials, including the System website, developed with the National Marketing Funds.

As of December 31, 2023, we have collected \$1,436,460 towards the National Marketing Fund. \$81,214 was rolled over into 2023. Of the \$1,769,692 spent, we have spent 58.63% towards advertising and promotion, 38.17% towards administrative reimbursements, 1.25% towards computer and internet, and 1.95% towards website and graphic design. \$252,016 was rolled over into 2024;

5. Local and Regional Advertising Cooperative – We possess the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your Shop you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations. However, we may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on one vote per Shop located and a quorum of not less than 25% of the designated franchisee cooperative members. If a cooperative exceeds nine franchisee members we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Shop, you will be required to participate in the cooperative in accordance with the provisions of our Operations Manual which we may supplement and modify from time to time. You will not be required to make contributions to a Local or Regional Advertising Cooperative in amounts exceeding 1% of your monthly Gross Sales.

As of the Issuance Date of this Disclosure Document we have not established any local or regional advertising cooperatives but reserve the right to do so in the future; and

6. Advertising Council – We have not established an advertising council but reserve the right to do so in the future. (Franchise Agreement, Article 9.A.).

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Computer System

You must purchase, license, and use the computer, point of sale, business management, and ordering systems that we designate. Currently, the designated point of sale system that you must license, and use is Clover, and as may be otherwise designated by us in the Operations Manual. You are required to purchase and operate at least one configured and licensed point of sale hardware terminal. Currently we recommend that you use ADP for payroll services and Dolce Software for scheduling and timekeeping. Additionally, you must purchase and maintain a computer system on-site at your Shop Location. You are responsible for maintaining updated and current versions of all software systems designated by us. It cost \$1,300 to \$6,000 for you to purchase your required Computer System. You are responsible for the maintenance and repair of all computer equipment and computer systems that we designate and require. Estimated costs for the maintenance, repair and update of the designated computer systems ranges from \$250 to \$1,500 per year. There are no contractual obligations imposed on us to maintain, repair, update, or upgrade your computer systems. You are required to provide us with independent access to all of the information and data that is transacted, collected, and stored by the Franchised Business on the Business Management Systems, your computer systems, and otherwise.

Initial Training

If this is your first Shop we will provide initial training for you, or if you are a Corporate Entity, your Managing Owner, your designated general operating manager plus one designated employee. You or your Managing Owner, your general operating manager, and one additional designated employee must successfully attend and complete the initial training program to our satisfaction no later than 30 days before the opening of your Shop. The initial training program takes place over an approximate two-week period. If more than three individuals attend initial training you will be charged an additional fee per additional persons attending initial training. Although we provide you, your general operating manager, and one additional designated employee with initial training at no additional fee or charge, you will be responsible for paying for all travel expenses and employee wages that you incur in your initial training attendance and participation. (Franchise Agreement, Article 4). Currently, we provide our initial training program no less frequently than quarterly and on an as-needed basis.

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TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Basic Operations and Overall Philosophy	0.5	0	Belmar, New Jersey
Branding/Brand Standards	1	3	Belmar, New Jersey
Catering	0.5	1.5	Belmar, New Jersey
Creating Products	0	20	Belmar, New Jersey
Customer Service	0.5	3	Belmar, New Jersey
Food Safety Practices	1	10	Belmar, New Jersey
Franchise Resource Website	0.5	0.5	Belmar, New Jersey
History	0.5	0	Belmar, New Jersey
Inventory Management	0.5	6	Belmar, New Jersey
Knowledge Check & Certifications	0	4	Belmar, New Jersey
Marketing/Community Outreach	1	1.5	Belmar, New Jersey
Opening & Closing Duties	0	4	Belmar, New Jersey
Ordering Strategy	0	6	Belmar, New Jersey
Personnel Management & HR	1	2	Belmar, New Jersey
Point of Sale Back Office	1	0	Belmar, New Jersey
Point of Sale Front Office	0	4	Belmar, New Jersey
Product Placement & Storage Room Set-Up	0	1	Belmar, New Jersey
Products Overview	0.5	1.5	Belmar, New Jersey
Receiving & Stocking Inventory	0	4	Belmar, New Jersey
Receiving an Order	0	4	Belmar, New Jersey
Schedule System Overview	1	2	Belmar, New Jersey
Social Media Strategy	1	1	Belmar, New Jersey
Third Party Delivery	0.5	1	Belmar, New Jersey
Subtotal Hours	11	80	
Total Hours	91		

In addition to our initial training program, you or if you are a Corporate Entity, your Managing Owner, one designated general operating manager plus one designated employee must be ServSafe certified or other similar certifications. The cost of these certifications is not included in the Initial Franchise Fee, and we do not provide certification.

Instructional materials that will be used in the initial training process includes our Operations Manual, live instruction, and handouts. Initial training will be conducted under the direction and supervision of our Director of Learning and Development, Lindsay Manchester. Lindsay Manchester is our Director of Learning and Development and has served in this role since January 2024. From November 2021 to January 2024, Ms. Manchester served as our Manager of Learning and Development. From May 2021 to November 2021, Ms. Manchester was Store Director at Event Network at Liberty Science Center in Jersey City, New Jersey. From August 2011 to October 2020, Ms. Manchester was Retail Manager at Six Flags Great Adventure in Jackson, New Jersey. The level of experience of our trainers will, at a minimum, include each trainer’s satisfactory completion of our initial training program. In addition to initial training, you will also be required to participate in and satisfy all other training programs that we may designate respecting the Franchised Business. (Franchise Agreement, Articles 4 and 7.J).

After the opening of your Shop, we reserve the right to require that you (or your Managing Owner if you are a Corporate Entity) attend a system-wide training program (the “System-Wide Training Program”) that we may establish in our discretion. If we establish a System-Wide Training Program, the program will be offered from our affiliate owned Shops in Belmar, New Jersey or other Shop location designated by us and

you will be responsible for all travel and expenses, lodging, food, automobile rental expenses, and employee wages that you incur in connection with your attendance. We will not require your attendance at a System-Wide Training Program for more than a total of five days in any calendar year.

ITEM 12 TERRITORY

Your Location

Under the Franchise Agreement, we will grant to you the right to develop and operate one Shop at a specific Shop Location. If the location is not known at the time you sign a Franchise Agreement, then your Shop location must be secured by you but subject to our approval.

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

Grant of Territory

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

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

Relocation

Your right to relocate your Shop is not guaranteed and approval of a request by you to relocate your Shop is completely at our discretion. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of other Shops, our expansion plans, the designated territory, demographics, and other factors that, at the time of a relocation request, are relevant to us. If you sign a Multi-Unit Development Agreement, you will not be granted the right to relocate your Development Area. As a condition of our approval of a relocation request, at our election, we may require that you sign our then current Franchise Agreement and pay our then current initial franchise fee that is prorated to provide a credit based on the number of years remaining on the initial term of your original Franchise Agreement.

Establishment of Additional Shops

You do not have the right to establish additional Shops unless you sign a Multi-Unit Development Agreement. If we enter into and sign a Multi-Unit Development Agreement with you then you will have the right to develop a mutually agreed upon number of additional Shops within a specified Development Area. The size of your Development Area will vary significantly from other franchisees and your right to develop additional Shops under a Multi-Unit Development Agreement will be subject to your timely compliance with the agreed upon development schedule, your compliance with the terms of your Multi-Unit Development Agreement, and your compliance with all other agreements with us and our affiliates, including all Franchise Agreements. Our approval of future Shop Locations and their respective designated territories will be based on our then current site and territory criteria. Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for Shops in the Development Area for you to meet your Minimum Performance Schedule.

Options and Rights of First Refusal to Acquire Additional Franchises

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

Territory Rights

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

We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and, without any compensation or consideration to you (Franchise Agreement, Article 2.D. and Multi-Unit Development Agreement, Section 2.3), to engage in the following activities (our “Reserved Rights”): (a) operate and grant to others the right to develop and operate Shops and Franchised Businesses using the System and Licensed Marks at locations outside your Designated Territory and, if applicable, Development Area, as we deem appropriate and irrespective of the proximity to your Designated Territory and, if applicable, Development Area; (b) acquire, be acquired, develop, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to the Franchised Business, and after such acquisition, development, merger or affiliation, to own and operate and to franchise or license others the right to own and operate and to continue to own and operate such businesses of any kind, even if such businesses are located in and/or offer and sell products and services that are the same as or similar to a the Franchised Business within your Designated Territory and, if applicable, within your Development Area, but not using the Licensed Marks; (c) use the Licensed Marks and System to distribute the Approved Products and Services offered and sold by the Franchised Business or products and services similar to the Approved Products and Services offered and sold by the Franchised Business including, but not limited to, merchandise, sauces, seasonings, flavorings, frozen menu items, prepackaged menu items, and prepared menu items, offered and sold through alternative channels of distribution including wholesale outlets, wholesale stores, supermarkets, grocery stores, e-commerce and/or internet based sales channels, within or outside your Designated Territory and, if applicable, your Development Area; (d) operate, and grant to others the right to own and operate, a Shops within or at captive market locations including, but not limited to, indoor malls, airports, transportation stations, factories, government facilities, military bases, hospitals, amusement parks, recreational parks or facilities, sports facilities, convention centers, travel centers, schools, colleges and other academic facilities, seasonal facilities, shopping malls, theaters, workplace cafeterias, hotels, and venues where food service is administered or provided as a concession by a master concessionaire, both within and outside your Designated Territory and, if applicable, your Development Area; and (e) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

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

Soliciting by You Outside Your Territory

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

Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Licensed Marks that sells or will sell goods or services similar to those that will be offered by you through the Franchised Business.

ITEM 13 TRADEMARKS

Under the terms of the Franchise Agreement, you will be granted a license to use the “Playa Bowls” trademark and those other marks that we designate. Our affiliates, Playa Bowls, LLC and Playa Bowls IP, LLC are the owners of the Licensed Marks and have granted to us a license with an initial 20 year term and with automatic renewal thereafter to use the Licensed Marks and to license our franchisees to use the Licensed Marks (the “License Agreement”). Although the License Agreement may be terminated as a result of a breach of the License Agreement, in the event of any termination of the License Agreement, our franchisees will continue to maintain the right to use the Marks pursuant to the terms of their Franchise Agreement. Termination of the License Agreement does not terminate use of the Marks by our authorized franchisees. We reserve the right to supplement and modify the marks that you may or may not use in connection with the operations of your Shop. You may only use the Licensed Marks as authorized by us in writing and under the terms of your Franchise Agreement. You may not use the Licensed Marks in the name of any Corporate Entity that you establish.

Principal Trademarks Registered with the United States Patent and Trademark Office

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

Mark	USPTO Registration Number	Registration Type	Registration Date
PLAYA BOWLS	5511222	1(a)	July 10, 2018
Welcome to Pineappleland	5579740	1(a)	October 9, 2018
New Jersey’s Original Acai Shop	5923152	1(a)	November 26, 2019
PLAYA CLUB	5976059	1(a)	February 4, 2020
Playa Coconut	6452475	1(a)	August 17, 2021
Playanola	6551133	1(a)	November 9, 2021
Playa Pitaya	7287657	1(a)	January 23, 2024

Principal Trademarks Not Registered with the United States Patent and Trademark Office

The following principal trademarks identified in the schedule below are a part of the Licensed Marks, our System, and will be used by you in the operations of the Franchised Business but are not registered with the USPTO. As to each of these principal trademarks:

We do not have a federal registration for each of these principal trademarks. Therefore, the trademarks identified below do not have many legal benefits and rights that are afforded to federally registered trademarks. If our right to use the trademarks (identified below) is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Mark	Serial Number for Registration Application Filed with USPTO Application	Application Type	Application Date
Playa Bowls Acai	98406556	1(a)	February 15, 2024
Playa Mango	98398980	1(a)	February 9, 2024
Playa Rewards	98399010	1(a)	February 9, 2024

As to our principal trademarks there are no currently effective material determinations by the USPTO, the Trademark Trial and Appeal Board, any court, or the trademark administrator of any state. There are no pending infringement, opposition or cancellation proceedings and no pending litigation involving our principal marks. We know of no superior rights or infringing uses that could materially affect your use of our principal marks or other related rights in any state.

You are required to provide us with written notice of any claims that you may become aware of respecting the Licensed Marks including your use of the Licensed Marks and/or any claim associated with a third party's use of a trademark that is identical or confusingly similar to the Licensed Marks. We maintain the exclusive discretion to take any and all actions, or to refrain from any action, that we believe to be appropriate in response to any trademark infringement, challenge, or claim. As between us, we possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlement(s) involving any actual or alleged infringement, challenge or claim relating to the Licensed Marks. You must sign all documents, instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable for the protection and/or maintenance of our interests in the Licensed Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us. As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions.

We will protect your right to use the Licensed Marks and other related rights and to protect you against claims of infringement and unfair competition related to the Licensed Marks, provided that you use the Licensed Marks in accordance with the terms of your Franchise Agreement, as designated by us in the Operations Manual, and otherwise, as we instruct you. We will indemnify you against direct damages for trademark infringement in a proceeding arising out of your use of the Licensed Marks, provided your use of the Licensed Marks comply with the terms of your Franchise Agreement, the Operations Manual, our written instructions and, that you have timely notified us of the claim, have given us sole control of the defense and settlement of the claim, and you are in compliance with your Franchise Agreement and, if applicable, Multi-Unit Development Agreement. If we defend the claim, we have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney that you retain.

If any third party establishes, to our satisfaction and in our discretion that its rights to the Licensed Marks are, for any legal reason, superior to any of our rights or of a nature that we believe, in our discretion, that

it is advisable to discontinue and/or modify the Licensed Marks, then we will modify and/or replace the Licensed Marks and you must use the substitutions, replacements and/or variations of and/or to the Licensed Marks and use the those trademarks, service marks, logos and trade names required and designated by us. In such event, our sole liability and obligation will be to reimburse you for the direct out-of-pocket costs of complying with this obligation, which you must document to our satisfaction, including, by way of example, alterations in signage and replacement of marketing materials.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights to, or licenses in any patent or copyrights material to the franchise System. We may copyright advertising materials and design specifications, our Operations Manual, and other written materials, and items. We have not applied to the USPTO for the issuance of any patents.

You must keep as confidential our Operations Manual and any supplements to the Operations Manual. Our Operations Manual may take the form of written materials and/or digitally distributed and stored materials and made available to you for use in connection with the Franchised Business. The Operations Manual contain information about our System, Approved Products and Services, System Supplies, proprietary products, marketing systems, training, and confidential methods of operation. You must use all reasonable and prudent means to maintain the Operations Manual and the information maintained in the Operations Manual as confidential and prevent any unauthorized copies, recordings, reproduction, or distribution of the Operations Manual or the information contained in the Operations Manual. You must also restrict access to the Operations Manual to management level employees who sign a confidentiality agreement with you and are required by you to maintain the confidentiality of the Operations Manual and refrain from distributing or disclosing the Operations Manual and the information contained in the Operations Manual. You must provide us with immediate notice if you learn of any unauthorized use of the Operations Manual or of the information contained in the Operations Manual, or any infringement or challenge to the proprietary or confidentiality of the information contained in the Operations Manual. We will take any and all action(s), or refrain from taking action, that we determine, in our discretion, to be appropriate. We may control any action or legal proceeding we choose to bring. We need not participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or patent. If any third party establishes to our satisfaction, in our discretion, that it possesses rights superior to ours, then you must modify or discontinue your use of these materials in accordance with our written instructions.

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

The Franchise Agreement requires that you or, if you are a Corporate Entity, your designated managing shareholder, member, or partner (your “Managing Owner”) be personally responsible for the management and overall supervision of your Shop. Your Managing Owner must complete, to our satisfaction, our initial training program and be approved by us. While we recommend that your Managing Owner personally participate in the day-to-day management and on-site supervision and operations of your Shop, you may hire an operating manager to supervise and manage the day-to-day on-site operations of your Shop provided that your operating manager: (a) meets all of our minimum standards and criteria for managers; (b) completes our initial training program; and (c) signs our confidentiality agreements (an “Operating Manager”). At all times, your Shop must be managed and supervised on-site by either a Managing Owner or Operating Manager. If you own and operate multiple Shops then each Shop must be managed and supervised on-site by an Operating Manager.

You and, if you are a Corporate Entity, each of your members, shareholders and/or partners (collectively, “Owners”), must personally guarantee all of your obligations to us under the Franchise Agreement. Each Owner and the spouse of each Owner must personally guarantee your obligations to us under the Franchise Agreement. You and each Owner and spouse must also promise in writing that, among other things, during the term of the Franchise Agreement you will not participate in any business that in any way competes with the Franchised Business, and that for 24 months after the expiration or termination of the Franchise Agreement with said period being tolled during any periods of non-compliance, neither you nor your Owners and their spouses will participate in any competitive business located within and/or servicing customers located within your Designated Territory and a 25 mile radius surrounding your Designated Territory. Further you will not participate in any competitive business located within and/or servicing customers located within a 10 mile radius of any other Playa Bowls Shop and/or the designated territory of any other Playa Bowls Shop. Your managers and all other employees and agents with access to our confidential information will be required by us to sign a confidentiality agreement.

**ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may only sell the Approved Products and Services as specified in the Operations Manual or otherwise approved by us in writing and may only sell the products and services required by us. We can change the products and services that you must offer. There is no limitation on our right to change the products and services offered sold by Playa Bowls Shops. You are not limited to whom you may sell products and services of your Playa Bowls Shop, provided you do so exclusively from your Shop Location and as otherwise required by and in compliance with the standards we determine for the System.

**ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

The Franchise Relationship Under a Single Unit Franchise Agreement

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Franchise Agreement	Summary
a. Length of the franchise term	2.B.	The term of your Franchise Agreement is 10 years.
b. Renewal or extension of the term	15	If you meet our conditions for renewal you may renew your franchise for one additional 10 year term.
c. Requirements for franchisee to renew or extend	15	To renew your franchise you must be in compliance with the terms of your Franchise Agreement, provide us with 180 days prior written notice of your request to renew, sign our then current form of Franchise Agreement and related agreements for the renewal term, sign a general release in our favor, pay a renewal fee, remodel and upgrade your Shop to meet our standards and specifications, secure and possess the legal right

		to continue to occupy the premises of your Shop location, and meet all other renewal requirements contained in the Franchise Agreement. Your Owners must be in compliance with their agreements with us, including the Owner and Spouse Agreement and Guaranty, and they must personally guarantee the terms of your renewal Franchise Agreement which may contain terms materially different from your current Franchise Agreement.
d. Termination by franchisee	16.B.	You may terminate the Franchise Agreement if you are in compliance with its terms, we are in material breach of the Franchise Agreement, and we fail to cure the material breach within 30 days of receiving written notice or, if the breach cannot be cured within 30 days, such period of time that is reasonable to cure the material breach.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with “cause”	16.A.	We can terminate if you are in default of the terms of the Franchise Agreement.
g. “Cause” defined curable defaults	16.A.(3), 16.A.(4)	<p>You have 10 days to cure a default where you fail to pay any fees and/or obligations due to us and/or to an affiliate of ours, or if you fail to pay a supplier without, as determined by us, a legal justification, provided that the foregoing defaults were not intentionally and knowingly in violation of the Franchise Agreement.</p> <p>You will have 30 days to cure a default where you fail to: timely lease a location that we approve for your Shop; timely develop and open your Shop; operate your Shop in accordance with the specifications, standards, and requirements set forth in our Operations Manual; develop or operate your Shop in compliance with all federal, state, and local laws, rules, and regulations, unless, such violation poses a threat to public health or safety; maintain insurance coverage that we require; comply with our standards, systems or specifications as we may designate or as otherwise designated in the Operations Manual; and/or fail to operate your Shop in conformity with our System or otherwise violate the Franchise Agreement, except as to events of default that are not curable.</p>
h. “Cause” defined non-curable defaults	16.A.(1), 16.A.(2)	The following are defaults that cannot be cured: three or more instances where you commit a curable default, whether or not you timely cured such default in each instance; you intentionally and knowingly refuse to comply with the terms of the Franchise Agreement, and/or the standards specifications, and/or requirements set forth in the Operations Manual and/or as communicated to you by us from time to time; you intentionally, knowingly, or negligently operate the Franchised Business in violation of applicable laws, rules, and regulations and, in doing so, create a foreseeable, imminent, and/or

		<p>immediate threat to the health and safety of others; you abandon the Franchised Business or fail to maintain the required leasehold and/or ownership interests in your Shop Locations; you or your Owners intentionally made a material statement or omission in questionnaires submitted to us; the data, information, and/or records that you record and/or submit to us are intentionally misleading or false; you transfer or attempt to transfer the Franchised Business or the ownership interests in your franchise company without our approval; you disclose or permit the disclosure of information contained in the Operations Manual and/or of confidential information; you or your Owners engage in intentionally dishonest or unethical conduct that impacts our System; you and/or your Owners breach and, if such breach is capable of a cure, fail to timely cure another agreement with us including the Owner and Spouse Agreement and Guaranty; you and your Owners and managers fail to complete, to our satisfaction, our initial and on-going training programs; you fail to notify us of the misuse of confidential information and you fail to protect same; you misappropriate or misuse the Licensed Marks; you are deemed insolvent, make an assignment for the benefit of creditors, admit in writing your inability to pay debts; are adjudicated bankrupt, file a voluntary bankruptcy petition or have one filed against you, and/or you acquiesce to the appointment of a trustee or receiver, or a court orders one; execution is levied against the Franchised Business; a final judgment is entered against the Franchised Business and is not satisfied within 30 days; you are dissolved; a lawsuit or action is commenced against the Franchised Business to foreclose on a lien on equipment of the Franchised Business and such action is not dismissed after 60 days; real or personal property used by the Franchised Business is sold or levied by a sheriff or other law enforcement officer; and/or you abandon or fail to continuously own and operate the Franchised Business.</p>
<p>i. Franchisee’s obligations on termination/non-renewal</p>	<p>6, 17</p>	<p>You must: pay all sums that you owe to us under the Franchise Agreement and all other agreements with us; cease owning and operating the Franchised Business; cease representing yourself as a franchisee of ours; permanently cease using and/or accessing the System, the Licensed Marks, our confidential information, the Operations Manual, the Business Management System, the Business Management System Data, and the System Supplies; return the Operations Manual and all confidential information to us in the original form provided to you and document the destruction of all electronic files related to same; completely de-identify the location and/or facility associated with the Franchised Business; as requested by us, transfer to us all data, telephone listings, digital media, accounts, web listings and websites associated with the Franchised Business; and abide by the post-termination non-competition covenants and restrictions.</p>

j. Assignment of the contract by franchisor	14.A.	No restriction on our right to assign.
k. "Transfer" by franchisee-definition	14.B.	A transfer means and includes, whether voluntary or involuntary, conditional or unconditional, direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.
l. Franchisor's approval of transfer by franchisee	14.B.	Transfers require our prior written consent, which may be granted or withheld in our discretion.
m. Conditions for franchisor's approval of transfer	14.C.	For approval of your transfer, you must provide us with 30 days prior written notice of the proposed transfer; you and your Owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with us; you and your Owners must be in compliance with your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee's owners and their spouses must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your Owners and their spouses must sign a general release in favor of us; the transfer must provide for the assignment and/or ownership of the approved location for the Franchised Business, and the transferees continued use and occupancy of such location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense must complete our training programs; we waive our right of first refusal; we approve of the transfer and transferee in writing and subject to our discretion; and you pay the Transfer Fee (subject to applicable state laws).
n. Franchisor's right of first refusal to acquire franchisee's business	14.F.	We have the right to match any offer to purchase your Shop or the Corporate Entity operating your Shop.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	14.D.	If you are an individual, within 30 days of the death or permanent disability of Franchisee, your executor and/or legal representative must appoint an Operating Manager approved

		by us and within 60 days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of the Franchise Agreement. If the franchisee is a Corporate Entity, within 30 days of the death or permanent disability of your Managing Owner, if there are other Owners, must appoint a replacement Operating Manager approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.
q. Non-competition covenants during the term of the franchise	6	No involvement in any competitive business and must comply with confidentiality, non-disclosure, and non-solicitation covenants.
r. Non-competition covenants after the franchise is terminated or expires	6, 17.E.	No involvement, ownership, or interest whatsoever for 24 months in any competing business in: your Designated Territory; a 25-mile radius of your Designated Territory; a 10-mile radius of the Designated Territory of any other Shop; and you must comply with confidentiality, non-disclosure, and non-solicitation covenants.
s. Modification of the agreement	18.L.	Requires writing signed by you and us, except for unilateral changes that we may make to the Operations Manual or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/merger clauses	18.M.	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits, and amendments. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	18.G.	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Monmouth County, New Jersey and, if mediation is unsuccessful, then to binding arbitration in Monmouth County, New Jersey. This provision is subject to applicable state law.
v. Choice of forum	18.G.	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, state court of general jurisdiction that is within or closest to Monmouth County, New Jersey or, if appropriate, the United States District Court nearest to our corporate headquarters at the time such action is filed. This provision is subject to applicable state law.

w. Choice of law	18.F.	New Jersey law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit I</u> to this Disclosure Document.
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The Franchise Relationship Under a Multi-Unit Development Agreement

THE FRANCHISE RELATIONSHIP

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

Provision	Sections in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	3	Varies depending on the number of Shops to be developed and the Development Area. The agreement commences on the effective date and the term automatically expires at the earlier of the opening of the final Shop required for development, or the last day of the calendar month in which the final Shop was required to be open under the Multi-Unit Development Agreement.
b. Renewal or extension of the term	Not applicable	There is no renewal of the Multi-Unit Development Agreement.
c. Requirements for franchisee to renew or extend	Not applicable	There is no renewal of the Multi-Unit Development Agreement.
d. Termination by franchisee	Not applicable	There is no option for your termination of the Multi-Unit Development Agreement.
e. Termination by franchisor without cause	Not applicable	We can terminate without cause only if you and we mutually agree, in writing, to terminate.
f. Termination by franchisor with "cause"	3.2	We may terminate your Multi-Unit Development Agreement with cause. Your Multi-Unit Development Agreement can be terminated by us if: (a) you abandon your obligations under the Multi-Unit Development Agreement; (b) if you for four consecutive months, or any shorter period that indicates an intent by you to discontinue your development of Shops within the Development Area; (c) if you become insolvent or you are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit of creditors or a receiver is appointed by you; (d) if you fail to meet your development obligations under the Development Schedule for any single Development Period including, but not limited to, your failure to establish, open and/or maintain the cumulative number of Shops in accordance with Development Schedule; and/or (e) in the event that any one Franchise Agreement is terminated

		respecting any Shop and/or any other Franchise Agreement between you and us.
g. “Cause” defined curable defaults	Not applicable	Not applicable.
h. “Cause” defined non-curable defaults	3.2	Your Multi-Unit Development Agreement can be terminated by us if: (a) you abandon your obligations under the Multi-Unit Development Agreement; (b) if you for four consecutive months, or any shorter period that indicates an intent by you to discontinue your development of Shops within the Development Area; (c) if you become insolvent or you are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit of creditors or a receiver is appointed by you; (d) if you fail to meet your development obligations under the Development Schedule for any single Development Period including, but not limited to, your failure to establish, open and/or maintain the cumulative number of Shops in accordance with Development Schedule; and/or (e) in the event that any one Franchise Agreement is terminated respecting any Shop and/or any other Franchise Agreement with us.
i. Franchisee’s obligations on termination/non-renewal	Not applicable	You lose all rights under the Multi-Unit Development Agreement. There are no renewal rights respecting the Multi-Unit Development Agreement.
j. Assignment of the contract by franchisor	6	There are no restrictions on our right to assign.
k. “Transfer” by franchisee-definition	6	You have no right to transfer the Multi-Unit Development Agreement.
l. Franchisor’s approval of transfer by franchisee	6	You have no right to transfer the Multi-Unit Development Agreement.
m. Conditions for franchisor’s approval of transfer	6	You have no right to transfer the Multi-Unit Development Agreement.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Not applicable	Not applicable.
o. Franchisor’s option to purchase franchisee’s business	Not applicable	Not applicable.
p. Death or disability of franchisee	Not applicable	Not applicable.
q. Non-competition covenants during the term of the franchise	Not applicable	Not applicable as to Multi-Unit Development Agreement. However, each Shop developed pursuant to Multi-Unit Development Agreement will be subject to non-competition covenants set forth in each respective Franchise Agreement.

r.	Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable as to Multi-Unit Development Agreement. However, each Shop developed pursuant to Multi-Unit Development Agreement will be subject to non-competition covenants set forth in each respective Franchise Agreement.
s.	Modification of the agreement	5.3, 7.11	Only by written agreement between you and us or if governing law requires a modification. We can change the form of the Franchise Agreement for future Shops which will not alter your obligations under the Multi-Unit Development Agreement.
t.	Integration/merger clauses	7.12	The Multi-Unit Development Agreement is the entire agreement between you and us relating to the development of the Exclusive Territory. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u.	Dispute resolution by arbitration or mediation	7.5, 7.6	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Monmouth County, New Jersey and, if mediation is unsuccessful, then to binding arbitration in Monmouth County, New Jersey. This provision is subject to applicable state law.
v.	Choice of forum	7.5, 7.6	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court of general jurisdiction that is within or closest to Monmouth County, New Jersey or, if appropriate, the United States District Court nearest to our corporate headquarters at the time such action is filed. This provision is subject to applicable state law.
w.	Choice of law	7.5, 7.6	New Jersey law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit I</u> to this Disclosure Document.

**ITEM 18
PUBLIC FIGURES**

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

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ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (c) Company Owned Outlet – means a Playa Bowls Shop owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, or that is managed by us our affiliate or any person identified in Item 2.
- (d) Franchise Outlet – refers to a Playa Bowls Shop operated under a Franchise Agreement that is not a Company Owned Outlet.
- (e) Gross Sales – means the total revenue derived by each Playa Bowls Shop less sales tax, discounts, allowances and returns.
- (f) Median – means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them, together, and dividing by two.
- (g) New Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2022, as to the 2022 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet (see definition below). If this Company Owned Outlet remained in operation throughout the 2023 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2023 Calendar Year.
- (h) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2022, as to the 2022 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet (see definition below). If this Franchise Outlet remained in operation throughout the 2023 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2023 Calendar Year.

(i) Operational Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the first day of the Calendar Year and for the entire Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2022, as to the 2022 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet (see definition above) and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2023 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2023 Calendar Year. Company Owned Outlets that operate as a food truck are not included as Operational Company Owned Outlets.

(j) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation on or prior to the first day of the Calendar Year and for the entire Calendar Year. For example, if a Franchise Outlet first opened for business in February 2022, as to the 2022 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet (see definition above) and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2023 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2023 Calendar Year. Franchise Outlets that operate as a food truck are not included as Operational Franchise Outlets.

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

(l) Outlet – refers to a Playa Bowls Shop that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

(m) Quartile – refers to the relative performance of the Operational Outlets as compared to one another with the “1st Quartile” referring to the top 25% performing Operational Outlets and the 4th Quartile referring to the bottom 25% performing Operational Outlets.

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

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

BASES AND ASSUMPTIONS

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ANALYSIS OF RESULTS OF COMPANY OWNED OUTLETS

During the 2023 Calendar Year we had a total of 27 Company Owned Outlets that qualify as Operational Company Owned Outlets. Of these 27 Operational Company Owned Outlets, 24 qualify as Traditional Outlets and three qualify as Seasonal Outlets. We do not include data in these tables for New Company Owned Outlets.

Table 1

Gross Sales By Quartiles¹					
Operational Company Owned Outlets – Traditional Outlets					
2023 Calendar Year					
Quartile	Average	Number & Percentage of Outlets Above Average	Median	Low	High
1 st Quartile	\$1,848,834	2 / 6 (33%)	\$1,692,692	\$1,478,592	\$2,626,229
2 nd Quartile	\$1,330,571	2 / 6 (33%)	\$1,311,977	\$1,241,597	\$1,468,644
3 rd Quartile	\$1,101,166	2 / 6 (33%)	\$1,097,392	\$1,022,072	\$1,172,038
4 th Quartile	\$756,718	3 / 6 (50%)	\$755,543	\$625,703	\$962,398
Total ²	\$1,259,322	10 / 24 (42%)	\$1,206,818	\$625,703	\$2,626,229

¹ Data Overview: For 2023, the data compiled in this Table 1 is based on a total of 24 Operational Company Owned Outlets that qualify as Traditional Outlets. We do not include in this table the performance of New Company Owned Outlets that opened and commenced operations during the 2023 Calendar Year.

² Total: As to Average and Median, represents cumulative average and median, respectively, of Outlets within data set.

Table 2

Gross Sales¹	
Operational Company Owned Outlets – Seasonal Outlets	
2023 Calendar Year	
	Gross Sales
Seasonal Outlet 1	\$713,074
Seasonal Outlet 2	\$420,200
Seasonal Outlet 3	\$317,813
Average	\$483,696

¹ Data Overview: For 2023, the data compiled in this Table 2 is based on a total of three Operational Company Owned Outlets that qualify as Seasonal Outlets. We do not include in this table the performance of New Company Owned Outlets that opened and commenced operations during the 2023 Calendar Year. Since there were only three Seasonal Outlets, data is provided on a per Outlet basis.

ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

During the 2023 Calendar Year we had a total of 119 Franchise Outlets that qualify as Operational Franchise Outlets. Of these 119 Operational Franchise Outlets, 104 qualify as Traditional Outlets and 15 qualify as Seasonal Outlets. We do not include data in these tables for New Franchise Outlets.

Table 3

Gross Sales By Quartiles					
Operational Franchise Outlets – Traditional Outlets					
2023 Calendar Year					
Quartile	Average	Number & Percentage of Outlets Above Average	Median	Low	High
1 st Quartile	\$1,989,747	9 / 26 (35%)	\$1,924,604	\$1,638,403	\$3,030,546
2 nd Quartile	\$1,436,008	12 / 26 (46%)	\$1,410,563	\$1,282,827	\$1,617,812
3 rd Quartile	\$1,180,436	13 / 26 (50%)	\$1,179,034	\$1,099,813	\$1,280,330
4 th Quartile	\$897,924	14 / 26 (54%)	\$951,028	\$602,244	\$1,088,493
Total ²	\$1,376,029	42 / 104 (40%)	\$1,281,578	\$602,244	\$3,030,546

¹ **Data Overview:** For 2023, the data compiled in this Table 3 is based on a total of 104 Operational Franchise Outlets that qualify as Traditional Outlets. We do not include in this table the performance of New Franchise Outlets that opened and commenced operations during the 2023 Calendar Year.

² **Total:** As to Average and Median, represents cumulative average and median, respectively, of Outlets within data set.

Table 4

Gross Sales By Quartiles					
Operational Franchise Outlets – Seasonal Outlets					
2023 Calendar Year					
Quartile	Average	Number & Percentage of Outlets Above Average	Median	Low	High
1 st Quartile	\$709,046	1 / 4 (25%)	\$699,563	\$586,380	\$850,676
2 nd Quartile	\$520,076	2 / 4 (50%)	\$520,257	\$469,659	\$570,130
3 rd Quartile	\$425,609	2 / 4 (50%)	\$425,162	\$407,546	\$444,567
4 th Quartile	\$328,065	2 / 3 (67%)	\$349,474	\$250,908	\$383,813
Total ²	\$506,874	6 / 15 (40%)	\$469,659	\$250,908	\$850,676

¹ **Data Overview:** For 2023, the data compiled in this Table 4 is based on a total of 15 Operational Franchise Outlets that qualify as Seasonal Outlets. We do not include in this table the performance of New Franchise Outlets that opened and commenced operations during the 2023 Calendar Year.

² **Total:** As to Average and Median, represents cumulative average and median, respectively, of Outlets within data set.

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

Other than the preceding financial performance representation, Playa Bowls Franchisor LLC does 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 Dan Harmon, Playa Bowls Franchisor LLC at 803 Ocean Avenue, Belmar, New Jersey 07719 and (732) 257-8604, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	71	102	+31
	2022	102	136	+34
	2023	136	188	+52
Company Owned	2021	25	26	+1
	2022	26	27	+1
	2023	27	28	+1
Total Outlets	2021	96	128	+32
	2022	128	163	+35
	2023	163	216	+53

**TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2021 to 2023**

State	Year	Number of Transfers
Florida	2021	1
	2022	0
	2023	0
Georgia	2021	0
	2022	0
	2023	1
New Jersey	2021	1
	2022	0
	2023	1
Total	2021	2
	2022	0
	2023	2

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Arizona	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Colorado	2021	0	2	0	0	0	0	2
	2022	2	2	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Connecticut	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	2	0	0	0	0	6
Delaware	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Florida	2021	0	3	0	0	0	0	3
	2022	3	4	0	0	0	0	7
	2023	7	7	0	0	0	0	14
Georgia	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Kentucky	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Louisiana	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Maryland	2021	3	5	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	2	0	0	0	0	11
Massachusetts	2021	3	1	0	0	0	0	4
	2022	4	2	0	0	0	0	6
	2023	6	3	0	0	0	0	9
Michigan	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
	2023	4	2	0	0	0	0	6
New Hampshire	2021	1	0	0	0	0	0	1
	2022	1	2	0	0	0	0	3
	2023	3	1	0	0	0	0	4

New Jersey	2021	34	7	0	0	0	0	41
	2022	41	3	0	0	1	0	43
	2023	43	8	0	0	0	0	51
New York	2021	7	5	0	0	0	0	12
	2022	12	10	0	0	0	0	22
	2023	22	10	0	0	0	0	32
North Carolina	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Ohio	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	3	0	0	0	0	5
Pennsylvania	2021	11	3	0	0	0	0	14
	2022	14	1	0	0	0	1	14
	2023	14	5	0	0	0	1	18
South Carolina	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Texas	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
Virginia	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Washington, D.C.	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Totals	2021	71	31	0	0	0	0	102
	2022	102	36	0	0	1	1	136
	2023	136	53	0	0	0	1	188

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**TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	2021	3	0	0	0	0	3
	2022	3	1	0	0	0	4
	2023	4	1	0	0	0	5
New Jersey	2021	20	1	0	0	0	21
	2022	21	0	1	0	0	22
	2023	22	0	0	0	0	22
North Carolina	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Puerto Rico	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
Totals	2021	25	1	0	0	0	26
	2022	26	1	1	1	0	27
	2023	27	1	0	0	0	28

**TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2023**

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Alabama	3	2	0
Arizona	4	2	0
Delaware	1	1	0
Florida	28	15	0
Georgia	3	3	0
Illinois	1	1	0
Kentucky	3	1	0
Louisiana	3	3	0
Maryland	5	4	0
Massachusetts	8	5	0
Michigan	1	1	0
New Hampshire	2	1	0
New Jersey	10	7	0
New York	12	7	0
North Carolina	6	2	0

Ohio	4	4	0
Pennsylvania	11	5	0
Rhode Island	3	1	0
South Carolina	2	1	0
Tennessee	3	2	0
Texas	3	3	0
Virginia	6	3	0
Washington, D.C.	2	1	0
Totals	124	75	0

Notes to Tables:

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

During the last three fiscal years franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Disclosure Document.

Exhibit G to this Disclosure Document contains a list of our then current franchisees as of the end of the Issuance Date of this Disclosure Document.

Exhibit H to this Disclosure Document contains a list of franchisees that had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Our parent company PB Group Holdings, LLC was established on June 22, 2021, and its fiscal year ends on December 31. Attached to this Disclosure Document in Exhibit D are the consolidated audited financial statements of our parent company PB Group Holdings, LLC and its subsidiaries, as of and for the years ended December 31, 2023, and December 31, 2022, and for the period from July 28, 2021, to December 31, 2021. The combined audited financial statements for the period from January 1, 2021, to July 27, 2021, are also attached to this Disclosure Document in Exhibit D. Further, attached in Exhibit D are the unaudited financial statements of our parent company PB Group Holdings, LLC, as of and for the period ending July 31, 2024.

PB Group Holdings, LLC guarantees to assume the duties and obligations of Playa Bowls Franchisor LLC under the Franchise Agreement and Multi-Unit Development Agreement. A copy of the Guarantee of Performance is attached to this Disclosure Document in Exhibit D, following the financial statements.

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ITEM 22 CONTRACTS

Attached to this Disclosure Document or to the Exhibits attached to and comprising the Franchise Agreement attached to this Disclosure Document are copies of the following franchise and other contracts and agreements in use or proposed for use:

Exhibits to this Disclosure Document

Exhibit <u>E</u>	Franchise Agreement
Exhibit <u>F</u>	Multi-Unit Development Agreement
Exhibit <u>I</u>	State Specific Addenda

Schedules and Exhibits to the Franchise Agreement

Schedule <u>1</u>	Shop Location and Designated Territory Acknowledgment
Schedule <u>2</u>	Statement of Franchise Owners
Exhibit <u>1</u>	Owner and Spouse Agreement and Guaranty
Exhibit <u>2</u>	Confidentiality Agreement
Exhibit <u>3</u>	Site Selection Acknowledgment
Exhibit <u>4</u>	Lease Agreement Rider
Exhibit <u>5</u>	Collateral Assignment of Lease
Exhibit <u>6</u>	Assignment of Telephone Numbers and Digital Media Accounts
Exhibit <u>7</u>	ACH Authorization Form
Exhibit <u>8</u>	General Release
Exhibit <u>9</u>	Food Truck Addendum

Schedules and Exhibits to the Multi-Unit Development Agreement

Schedule <u>A</u>	Development Information Sheet
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Individual state law may supersede the provisions contained in your Franchise Agreement and, if applicable, your Multi-Unit Development Agreement respecting the requirement that you execute a general release as a condition to assignment, sale, or transfer. See, the state specific addendums contained in Exhibit I of this Disclosure Document.

ITEM 23 RECEIPTS

Two copies of a detachable receipt in Exhibit K are located at the very end of this Disclosure Document. Please sign one copy of the receipt and return it to us at the following address Dan Harmon, Playa Bowls Franchisor LLC, 803 Ocean Avenue, Belmar, New Jersey 07719. The duplicate is for your records.

[THE DISCLOSURE DOCUMENT ENDS HERE]



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT A
STATE ADMINISTRATORS

List of State Administrators

California

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013

2101 Arena Boulevard
Sacramento, CA 95834
866-275-2677

Connecticut

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103

Florida

Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, FL 32399

Hawaii

Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois

Office of the Attorney General
Franchise Bureau
500 South Second Street
Springfield, IL 62706

Indiana

Indiana Secretary of State
Indiana Securities Division
Franchise Section
302 W. Washington Street, Room E-111
Indianapolis, IN 46204

Kentucky

Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, KY 40601

Maine

Department of Professional and Financial
Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, ME 04333

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202

Michigan

Michigan Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
P.O. Box 30213
Lansing, MI 48909

Minnesota

Minnesota Department of Commerce
Securities Division
85 7th Place East, Suite 280
St. Paul, MN 55101

Nebraska

Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, NE 68509

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
212-416-8222

North Carolina

Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, NC 27603

List of State Administrators (continued)

North Dakota

Securities Department
600 East Boulevard Avenue, State Capitol
Fourteenth Floor, Department 414
Bismarck, ND 58505
701-328-4712

Wisconsin

Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701

Rhode Island

Department of Business Registration
Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903

South Carolina

Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, SC 29201

South Dakota

Franchise Office
Division of Securities
910 E. Sioux Avenue
Pierre, SD 57501

Texas

Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, TX 78701

Utah

Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, UT 84114

Virginia

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

Washington

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507
(360) 902-8700



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

Agents for Service of Process

Playa Bowls Franchisor LLC
803 Ocean Avenue, Belmar, New Jersey 07719
Attn: Dan Harmon, CEO

California

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013

2101 Arena Boulevard
Sacramento, CA 95834
866-275-2677

Connecticut

Banking Commissioner
Department of Banking
Securities and Business Investment Division
260 Constitution Plaza
Hartford, CT 06103

Hawaii

Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Maryland

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

Michigan

Michigan Department of Commerce
Corporation and Securities Bureau
6546 Mercantile Way
Lansing, MI 48910

Minnesota

Commissioner of Commerce of Minnesota
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101

New York

Secretary of the State of New York
99 Washington Avenue
Albany, NY 12231

North Dakota

North Dakota Securities Department
Securities Commissioner
600 East Boulevard Avenue, State Capitol
Fifth Floor, Department 414
Bismarck, ND 58505
701-328-4712

Rhode Island

Director of Department of Business Regulation
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota

Director, Division of Securities
Department of Commerce and Regulation
445 East Capitol Avenue
Pierre, SD 57501

Virginia

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

Washington

Securities Administrator
Washington Department of Financial
Institutions
150 Israel Road SW
Tumwater, WA 98501

Wisconsin

Wisconsin Commissioner of Securities
345 W Washington Avenue
Madison, WI 53703



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT C
OPERATIONS MANUAL TABLE OF CONTENTS



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT D
FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

PB Group Holding LLC

Consolidated Balance Sheet

For the 7 months ending July 31st 2024

YTD July 2024

Assets

Current Assets

Cash and cash equivalents	13,432,877
Accounts receivable	5,069,120
Employee retention credits receivable	45,644
Franchise fee receivables	904,285
Inventories	358,372
Prepaid expense and other current assets	839,203

Total Current Assets **20,649,501**

Property and Equipment, Net **4,766,549**

Other Assets

Goodwill and Intangible assets, net	44,681,839
Right-of use assets	6,211,186

Total Other Assets **50,893,025**

Total Assets **76,309,075**

Liabilities and Members' Equity

Current Liabilities

Accounts Payable	837,412
Other Liabilities	761,697
Gift Card Liability	1,505,704
Accrued Expenses	2,653,629
Current portion of long-term debt	1,312,500
Deferred revenue, current portion	3,646,080
Operating lease liabilities, current portion	1,403,880

Total Current Liabilities **12,120,903**

Long-Term Liabilities

Long-term debt, net of current portion and deferred financing fee	20,362,276
Operating lease liabilities, net of current portion	5,024,708
Deferred revenue, net of current portion	2,866,955

Total Lon-Term Liabilities **28,253,939**

Total Liabilities **40,374,842**

Total Members' Equity **35,934,233**

Total Liabilities and Members' Equity	76,309,075
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PB Group Holding LLC

Consolidated Statement of Operations

For the 7 months ending July 31st 2024

Revenues

Restaurant Sales, net	21,319,363
Franchise royalties and initial franchise fees	9,705,285
Brand development fees	1,503,087
Total Net Revenues	32,527,735

Operating Expenses

Cost of goods sold	7,470,248
Labor and benefits	9,144,618
Delivery and selling expenses	1,312,256
Rent related expenses	1,342,759
Repairs and maintenance	373,404
Advertising	1,592,987
Professional fees	712,812
General and administrative expenses	5,241,850
Depreciation and amortization expenses	3,921,815
Total Operating Expenses	31,112,749

Gain from Operations	1,414,985
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Other Income (Expenses)

Other Income	2,514,418
Interest expense	(1,265,150)
Total Other Income, Net	1,249,268

Net Income	2,664,254
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Net Income Attributable to Noncontrolling Interest	552,866
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Net Income Attributable to PB Group Holding, LLC	2,111,388
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PB Group Holding LLC

Consolidated statement of Cash Flows

For the 7 months ending July 31st 2024

Cash Flow from Operating Activities

Net Income	2,664,254
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Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	3,921,815
Changes in operating assets and liabilities	
Accounts receivable	(2,652,864)
Inventories	(49,294)
Prepaid expenses and other current assets	(398,374)
Operating lease liability	(802,644)
Accounts payable and accrued expenses	2,635,265
Other liabilities	(1,466,281)
Gift card liability	(29,744)
Deferred revenue	(2,057,937)
Net Cash provided by Operating Activities	1,764,195
Cash Flows from Investing Activities	
Purchases of property and equipment	(576,695)
Net Cash Used in Investing Activities	(576,695)
Cash Flows from Financing Activities	
Repayment of debt	(1,187,500)
Net Cash Used in Financing Activities	(1,187,500)
Increase in Cash and Cash Equivalents	5,301,388
Cash and Cash Equivalents, beginning of year	8,131,488
Cash and Cash Equivalents, as of July 31st 202	13,432,877



Tel: 206-382-7777
Fax: 206-382-7700
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Two Union Square, 601 Union Street
Suite 2300
Seattle, WA 98101

BDO USA, P.C. consents to the use in the Franchise Disclosure Document issued by Playa Bowls Franchisor, LLC (the "Franchisor") on April 8, 2024, as it may be amended, of our report dated April 4, 2024, relating to our audits of the consolidated financial statements of PB Group Holdings, LLC as of December 31, 2023 and 2022, and for the years then ended. We also consent to the use of our report dated April 28, 2023, related to our audits of the consolidated financial statements of PB Group Holdings, LLC (Successor) as of December 31, 2022 and 2021, for the year ended December 31, 2022 and for the period from July 28, 2021 to December 31, 2021 and the combined financial statements of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC (collectively, the Predecessor) for the period from January 1, 2021 to July 27, 2021.

BDO USA, P.C.
Seattle, Washington
April 8, 2024

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PB Group Holdings, LLC

Consolidated Financial Statements
Years Ended December 31, 2023 and 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



PB Group Holdings, LLC

Consolidated Financial Statements
Years Ended December 31, 2023 and 2022

PB Group Holdings, LLC

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Independent Auditor's Report

Board of Directors
PB Group Holdings, LLC
Belmar, New Jersey

Opinion

We have audited the consolidated financial statements of PB Group Holdings, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, P.C.

April 4, 2024

Consolidated Financial Statements

PB Group Holdings, LLC
Consolidated Balance Sheets

<i>December 31,</i>	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 8,249,211	\$ 7,237,273
Accounts receivable	1,498,282	883,389
Employee retention credits receivable	45,644	3,404,315
Franchise fee receivables	1,084,124	725,749
Inventories	328,799	260,653
Prepaid expenses and other current assets	1,092,321	630,766
Total Current Assets	12,298,381	13,142,145
Property and Equipment, Net	4,713,632	4,418,853
Other Assets		
Goodwill, net	11,134,330	12,598,831
Intangible assets, net	38,020,481	42,098,488
Right-of-use assets	7,049,681	7,863,921
Total Other Assets	56,204,492	62,561,240
Total Assets	\$ 73,216,505	\$ 80,122,238
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	\$ 245,974	\$ 491,725
Other liabilities	570,590	1,519,762
Gift card liability	1,535,447	829,889
Accrued expenses	1,560,280	674,141
Current portion of long-term debt	1,312,500	850,000
Deferred revenue, current portion	3,750,080	2,570,000
Operating lease liabilities, current portion	1,423,714	1,335,087
Total Current Liabilities	10,398,585	8,270,604
Long-Term Liabilities		
Long-term debt, net of current portion and deferred financing fee	21,460,996	22,083,801
Operating lease liabilities, net of current portion	5,807,520	6,794,497
Deferred revenue, net of current portion	698,718	449,545
Total Long-Term Liabilities	27,967,234	29,327,843
Total Liabilities	38,365,819	37,598,447
Members' Equity		
Equity attributable to PB Group Holdings, LLC	34,076,971	41,585,140
Equity attributable to noncontrolling interest	773,715	938,651
Total Members' Equity	34,850,686	42,523,791
Total Liabilities and Members' Equity	\$ 73,216,505	\$ 80,122,238

See accompanying notes to consolidated financial statements.

PB Group Holdings, LLC
Consolidated Statements of Operations

<i>Year ended December 31,</i>	2023	2022
Revenues		
Restaurant sales, net	\$ 31,097,631	\$ 27,976,700
Franchise royalties and initial franchise fees	12,564,119	8,172,654
Brand development fees	1,436,461	855,382
Total Net Revenue	45,098,211	37,004,736
Operating Expenses		
Cost of goods sold	12,231,412	12,092,345
Labor and benefits	13,684,968	9,760,932
Delivery and selling expenses	1,878,532	1,634,001
Rent related expenses	2,167,482	1,880,270
Repairs and maintenance	805,291	931,460
Advertising	646,769	911,118
Professional fees	1,130,875	2,866,864
General and administrative expenses	7,502,976	3,718,227
Depreciation and amortization expense	6,448,591	6,637,828
Total Operating Expenses	46,496,896	40,433,045
Loss from Operations	(1,398,685)	(3,428,309)
Other Income (Expenses)		
Other income	2,577,823	1,611,036
Employee retention credits	-	3,588,983
Interest expense	(2,342,598)	(1,549,901)
Total Other Income, Net	235,225	3,650,118
Net Income (Loss)	\$ (1,163,460)	\$ 221,809
Net Income Attributable to Noncontrolling Interest	\$ 743,649	\$ 1,094,388
Net Loss Attributable to PB Group Holdings, LLC	(1,907,109)	(872,579)

See accompanying notes to consolidated financial statements.

PB Group Holdings, LLC

Consolidated Statements of Changes in Members' Equity

	Equity Attributable to PB Group Holdings, LLC	Equity Attributable to Noncontrolling Interest	Total
Balance, December 31, 2021	\$ 46,261,907	\$ 2,186,323	\$ 48,448,230
Distributions	(2,920,441)	(1,931,764)	(4,852,205)
Purchase of noncontrolling equity interest	(883,747)	(410,296)	(1,294,043)
Net income (loss)	(872,579)	1,094,388	221,809
Balance, December 31, 2022	41,585,140	938,651	42,523,791
Distributions	(5,656,007)	(908,585)	(6,564,592)
Contributions	54,947	-	54,947
Net income (loss)	(1,907,109)	743,649	(1,163,460)
Balance, December 31, 2023	\$ 34,076,971	\$ 773,715	\$ 34,850,686

See accompanying notes to consolidated financial statements.

PB Group Holdings, LLC

Consolidated Statements of Cash Flows

<i>Year ended December 31,</i>	2023	2022
Cash Flows from Operating Activities		
Net income (loss)	\$ (1,163,460)	\$ 221,809
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	6,448,591	6,637,828
Noncash operating lease cost	39,153	78,281
Amortization of debt issuance costs	152,195	122,220
Changes in operating assets and liabilities:		
Accounts receivable	(614,893)	(234,648)
Employee retention credits receivable	3,358,671	(3,397,326)
Franchise fee receivables	(358,375)	(382,749)
Inventories	(68,146)	(47,476)
Prepaid expenses and other current assets	(461,555)	(60,844)
Operating lease liability	(123,263)	-
Accounts payable and accrued expenses	640,388	(41,655)
Other liabilities	(949,172)	1,245,017
Gift card liability	705,558	179,864
Deferred revenue	1,429,253	1,447,279
Net Cash Provided by Operating Activities	9,034,945	5,767,600
Cash Flows from Investing Activities		
Purchases of property and equipment	(1,200,862)	(789,852)
Business combination account holdback release	-	(201,400)
Purchase of intangible asset	-	(120,000)
Net Cash Used in Investing Activities	(1,200,862)	(1,111,252)
Cash Flows from Financing Activities		
Contributions from PB Group Holdings, LLC	54,947	-
Borrowings of debt	1,000,000	4,000,000
Repayment of debt	(1,312,500)	(520,833)
Purchase of noncontrolling equity interest	-	(1,294,043)
Distributions to PB Group Holdings, LLC	(5,656,007)	(2,920,441)
Distributions to noncontrolling members	(908,585)	(1,931,764)
Net Cash Used in Financing Activities	(6,822,145)	(2,667,081)
Increase in Cash and Cash Equivalents	1,011,938	1,989,267
Cash and Cash Equivalents, beginning of year	7,237,273	5,248,006
Cash and Cash Equivalents, end of year	\$ 8,249,211	\$ 7,237,273
Supplemental Information		
Cash paid for interest	\$ 2,317,224	\$ 1,427,681
Cash paid for income taxes	122,986	31,214
Non-cash right-of-use assets obtained in exchange for operating lease liabilities	502,254	-

See accompanying notes to consolidated financial statements.

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

PB Group Holdings, LLC (PB LLC) was formed as a limited liability company in Belmar, New Jersey. PB LLC, together with its subsidiaries, operate as a group of entities, which specialize in offering acai bowls and other healthy food options via quick service style restaurants. Restaurant locations consist of 1) PB LLC-owned stores, which are each wholly owned limited liability companies, 2) franchisee-owned stores, and 3) stores operated as a joint venture. The operations of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC (together, the Subsidiaries) were substantially similar to that of PB LLC. When referred to collectively, PB LLC and the Subsidiaries are referred to as the Company.

A schedule of Company-owned locations in operation, is as follows:

<i>December 31,</i>	2023	2022
Locations in Operation, beginning of year	27	26
Locations opened	1	1
Locations closed	-	(1)
Franchisee-owned locations acquired by PB LLC	-	1
Locations in Operation, end of year	28	27

A schedule of franchisee-owned locations in operation is as follows:

<i>December 31,</i>	2023	2022
Locations in Operation, beginning of year	136	102
Locations opened	53	36
Locations closed	(1)	(1)
Franchisee-owned locations sold to PB LLC	-	(1)
Locations in Operation, end of year	188	136

Joint ventures are discussed separately within Note 1.

Principles of Consolidation, Combination, and Noncontrolling Interest

The consolidated financial statements include the accounts of PB LLC, its wholly owned Subsidiaries (Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC), and consolidated joint ventures. The ownership interests of consolidated entities not wholly owned by PB LLC are presented as noncontrolling interests in the accompanying consolidated financial statements. Noncontrolling interests represent the share of consolidated entities owned by third parties. Noncontrolling interest is adjusted for the noncontrolling members' share of additional contributions, distributions, and the proportionate share of the net income or loss of each respective entity. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

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

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

Reporting Period

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

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits and highly liquid investments with original maturities of 90 or fewer days. Financial instruments that potentially subject PB LLC to significant concentrations of credit risk consist primarily of cash and cash equivalents. PB LLC places its temporary cash investments with financial institutions. At times throughout the year PB LLC may, in the ordinary course of business, maintain cash balances in excess of federally insured limits. As of December 31, 2023 and 2022, total cash and cash equivalents include \$180,139 and \$151,617, respectively, of amounts due from commercial credit card companies, such as Visa, MasterCard, and American Express, which are generally received within a few days of the related transaction.

Accounts Receivable

Accounts receivable primarily relate to royalty fee receivables from franchisees, as well as receivables from third party delivery services. PB LLC uses the allowance method of valuing credit loss, which is based on an analysis of historical credit loss experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable receivable accounts considered at risk or uncollectible. No allowance for credit loss receivable was determined necessary as of December 31, 2023 or 2022.

Employee Retention Credits Receivable

During 2022 and 2021, under the Consolidated Appropriations Act and the American Rescue Plan, PB LLC submitted various claims for Employee Retention Credits. The Employee Retention Credit is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages, up to \$10,000 (including qualified health plan expenses), an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. Effective January 1, 2021, the credit increased from 50% to 70% up to \$10,000 of the qualified wages (including qualified health plan expenses) per quarter through September 30, 2021. Employers are eligible for the credit if they experienced either a full or partial suspension of operations during any calendar quarter because of governmental orders due to the pandemic, or a significant decline in gross receipts based on comparing quarterly revenue for 2020 and/or 2021 with the comparable quarter in 2019.

Based on PB LLC's assessments performed throughout 2021 and 2022, it was eligible for \$3,729,831 in refundable tax credits. PB LLC accounted for the refundable tax credits as a component of other income. Income was recognized when PB LLC substantially met the program's eligibility conditions, which were not met until PB LLC determined that it met the conditions for the credit opportunity and thus submitted the applications for its refund. The credits are subject to review by the IRS;

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

however, PB LLC does not believe that the IRS' review is a barrier to recognition and believes all conditions have been met to allow for income recognition. As of December 31, 2023 and 2022, PB LLC has included \$45,644 and \$3,404,315, respectively, as a receivable on the consolidated balance sheets. During the years ended December 31, 2023 and 2022, the Company recognized income of \$0 and \$3,588,983, respectively, which was included in the accompanying consolidated statements of operations.

Franchisee Fee Receivables

PB LLC's franchisee fee receivables represent amounts due from franchisees related to initial franchise fees and brand development fees. PB LLC maintains an allowance for credit loss for estimated losses that may arise if any of its franchisees are unable to make required payments under franchise and other agreements. In assessing the collectability of receivables, management specifically analyzes past payment trends, the age of franchisee balances, historical bad debt experience, franchisee creditworthiness, changes in payment terms and other nonfinancial information. If the financial condition of any of its franchisees were to deteriorate, whether due to franchisee specific or general economic issues, PB LLC may be required to increase its allowance for credit loss. Franchisee receivables are written off when all collection attempts have failed. As of December 31, 2023 and 2022, PB LLC considered the receivables to be fully collectible; therefore, no allowance for credit loss was recorded.

Inventories

Inventories consist primarily of restaurant food items, beverages, supplies, and certain retail items and are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Leases

PB LLC accounts for leases in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases* (ASC 842). PB LLC determines if an arrangement is a lease at inception and then assesses for classification as either an operating or finance lease. Assets and obligations related to operating leases are included in right-of-use (ROU) assets and operating lease liabilities in the consolidated balance sheet.

ROU assets represent PB LLC's right to use an underlying asset for the lease term and lease liabilities represent PB LLC's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. PB LLC has elected the practical expedient to use a risk-free rate as the discount rate in calculating the present value of the lease payments when the implicit rate in the lease is not determinable. Certain lease terms may include options to extend or terminate the lease, and these are included in the determination of the operating lease ROU asset and operating lease liability when it is reasonably certain that PB LLC will exercise those options. Lease expense for operating leases is recognized in an amount equal to the lease payments over the lease term.

For leases with an initial term of 12 months or less, PB LLC elected the exemption from recording ROU assets and lease liabilities for all leases that qualify, and records rent expense on a straight-line basis over the lease term.

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

Variable lease payments, which may vary based upon changes in facts or circumstances after the start of the lease (such as percentage rent or common area maintenance) are excluded from lease ROU assets and lease liabilities to the extent not considered fixed, and instead expensed as incurred.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized; expenditures for maintenance and repairs are charged to expense as incurred.

Estimated useful lives are generally assigned as follows:

<u>Asset Category</u>	<u>Years</u>
Equipment, furniture, and fixtures	8
Vehicles	8
Buildings and leasehold improvements	Shorter of asset useful life or estimated terms of the lease

Goodwill

Goodwill represents the excess of cost over fair value of net assets of the units acquired.

PB LLC accounts for goodwill in accordance with the accounting alternative provided by FASB Topic 350, *Intangibles - Goodwill and Other*. Goodwill is amortized over a straight-line basis of ten years and is assessed for impairment if an event or circumstances indicate that the fair value of PB LLC may be less than its carrying amount. A goodwill impairment loss is recognized to the extent the carrying amount of PB LLC including goodwill exceeds its fair value.

An entity that elects the accounting alternative is further required to make an accounting policy election to test goodwill for impairment at either the entity level or the reporting unit level. The impairment assessment is a trigger-based assessment, whereby PB LLC is only required to test goodwill for impairment if an event occurs or circumstances change that indicate the fair value of the entity may be below its carrying amount. PB LLC has made the election to test for impairment at the entity level.

PB LLC did not identify any triggering events as of December 31, 2023 and 2022, and accordingly, no impairment loss was recorded for goodwill.

Intangible Assets

Intangible assets are amortized over their estimated useful lives. PB LLC evaluates the remaining estimated useful lives of intangible assets that are being amortized each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization. If the estimate of an intangible asset's remaining useful life is changed, the remaining carrying amount of the intangible asset is amortized prospectively over the revised remaining life.

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

Impairment of Long-Lived Assets

The Company assesses the recoverability of the recorded value of its long-lived assets, such as property and equipment, ROU assets, and intangible assets, whenever events or changes in business circumstances indicate the carrying amount of the asset may not be fully recoverable. The assessment of recoverability is based on management's estimate of undiscounted future operating cash flows of its long-lived assets. If the assessment indicates that the undiscounted operating cash flows do not exceed the net book value of the long-lived assets, then the difference between the net book value of the long-lived asset and the fair value of such asset is recorded as a charge against income in the consolidated statements of operations.

The Company recorded no impairment charges on long-lived assets during 2023 or 2022.

Equity-Based Compensation

The Company has a leadership incentive plan (the Plan) for the purpose of granting profits interests in the Company to a select group of officers, employees, managers, consultants, or other key persons. The Plan allows for both time-based units, which vest ratably over five years, as well as performance-based units, which vest only upon a liquidation event. Equity-based compensation expense is measured at the grant date based on the fair value of the award. The measurement of fair value of the equity-based compensation units require judgment in the assumptions underlying the methods used to determine the fair value and can include Company performance volatility and risk-free interest rates. Vested time-based awards are retained at termination, however, there are options for the Company to repurchase the units upon employee termination. If the business relationship is terminated for cause, the Company retains the right to enforce forfeiture of the units. The Company accounts for forfeitures as they occur. As of December 31, 2023, the Plan had granted 64 and 42 time-based and performance-based units, respectively. No compensation expense is being recorded for the performance-based units inasmuch as vesting is dependent upon future performance and an exit event for the Company, which is not currently deemed to be probable. In addition, no equity-based compensation expense is being recorded for the time-based units as it was deemed immaterial by the Company.

Exit or Disposal Cost Obligations

PB LLC accounts for exit or disposal activities, including restaurant closures, in accordance with FASB ASC 420-10, *Exit or Disposal Cost Obligations*. Such costs include the cost of disposing of the assets and liabilities as well as other facility-related expenses from previously closed restaurants. These costs are generally expensed as incurred. Additionally, at the date PB LLC ceases using property under an operating lease, PB LLC records a gain or loss based on the difference between the remaining ROU asset and the operating lease liability. Termination penalties are included in the gain or loss on termination.

Gift Cards

Revenue from gift cards sold by the Company is recognized upon redemption. Until the redemption occurs, the outstanding balances on the gift cards are record as unredeemed gift card liabilities.

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

Revenue Recognition and Deferred Revenue

Restaurant Sales

The Company recognizes revenue from food and beverage sales when payment is tendered at the point of sale. Revenues are reported net on the accompanying consolidated statements of operations with customer complimentary meals and gift card promotion discounts recorded as a component of sales discounts.

Royalty Fees

The sales-based royalty fee is considered variable consideration related primarily to the use of the license and trademarks and will be recognized as revenue in the same period as sales are earned by the franchisees. Sales-based royalty fees qualify under the royalty constraint exception, and do not require an estimate of future transaction price. The Company is utilizing the practical expedient which allows the Company to not disclose the transaction price allocated to the unsatisfied performance obligations for sales-based royalties.

Brand Development Fee Revenue

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

Under the franchise agreements and other agreements, the contributions received must be spent on advertising, marketing, creative efforts, media support, or other related purposes specified in the agreements and generally result in no profit or loss recognized. The Company has control of the brand development fund. The expenditures are primarily accounts paid to third parties, but may also include personnel expenses and allocated costs, as defined by the franchise agreements.

Initial Franchise Fees

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

The Company satisfies the performance obligation related to the franchise agreements over the term of the related agreement, which is typically ten years. Payment for the franchise agreement consists of three components: a fixed fee related to the franchise agreement, a sales-based royalty fee, and sales-based brand development fees. Payment for multi-unit agreements consists of a fixed fee. The fixed fees, as determined by the signed multi-unit and/or franchise agreement, is nonrefundable and due at the time the agreements are entered into, and/or when the franchise agreement is signed.

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

The Company uses the private company practical expedient to recognize pre-opening services as a single performance obligation. These pre-opening services include:

- Assistance in the selection of a site.
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related architectural and engineering services, and lease negotiation.
- Training of the franchisee's personnel or the franchisee.
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping.
- Bookkeeping, information technology, and advisory services, including advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business.
- Inspection, testing, and other quality control programs.

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

Deferred Revenue

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

Summary of significant changes to the deferred revenue balance are as follows:

Balance, December 31, 2021	\$ 1,572,266
Receipt of new multi-unit and franchise agreement fees	2,236,000
Revenue recognition from multi-unit and initial franchise fees	(788,721)
Balance, December 31, 2022	3,019,545
Receipt of new multi-unit and franchise agreement fees	2,838,501
Revenue recognition from multi-unit and initial franchise fees	(1,409,248)
Balance, December 31, 2023	\$ 4,448,798

PB Group Holdings, LLC
Notes to Consolidated Financial Statements

Future amortization of deferred revenue of multi-unit and franchise agreement fees is as follows:

Year ending December 31,

2024	\$	3,750,080
2025		39,490
2026		39,490
2027		39,490
2028		39,490
Thereafter		540,758
Total	\$	4,448,798

Advertising Expenses

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

Advertising expenses for the years ended December 31, 2023 and 2022 were \$646,769 and \$911,118, respectively, and are included in the accompanying consolidated statements of operations.

Taxes Collected from Customers

The Company collects sales taxes from its customers that are remitted to various state governmental authorities when due. The Company's policy is to record taxes collected from customers as a component of accrued expenses and other current liabilities in its accompanying consolidated balance sheets. Revenue is reported net of sales taxes collected from customers in the consolidated statements of operations.

Income Taxes

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

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

Joint Ventures

The Company determined that the joint ventures meet the definition of a variable interest entity (VIE) and accounts for its ownership interest in locations organized through joint venture and other agreements under the consolidation basis of accounting because the Company exercises significant control over these entities. The factors the Company evaluates when making the decision on whether

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

an entity should be consolidated or unconsolidated include, but are not limited to, level of controlling or voting equity ownership, voting and kick out rights, activities that most significantly impact the entity's economic performance, the party that controls and manages such activities, the amount and characteristics of the Company's investment, the obligation or likelihood for the Company or other investors to provide financial support for the entity, and the similarity with and significance to the Company's business activities. In addition to evaluating all the factors above, the Company also takes into consideration the accounting guidance under Accounting Standard Codification 810, *Consolidation*. These factors are subject to significant judgments, performance of locations held by these entities, and general market conditions. The Company evaluated these factors in concluding that the joint venture owned locations should be accounted for as consolidated entities.

Financial information relating to noncontrolling interest in these entities is disclosed in the consolidated statements of operations and consolidated statements of changes in members' equity. During 2022, PB LLC acquired 100% of the remaining interest in Playa Bowls Florida LLC, which was previously a 50%-owned joint venture. There were no changes to noncontrolling interest ownership percentages during 2023. As of December 31, 2023 and 2022, PB LLC has included assets of \$2,938,166 and \$4,112,509, respectively, and liabilities of \$1,437,099 and \$2,342,622, respectively, related to noncontrolling interest in the consolidated balance sheets. With regard to the VIEs, there is no third-party debt, and any capital calls in excess of \$20,000 require the consent of all members. No such capital calls were made in 2023 or 2022.

Adoption of Accounting Standards Codification Topic 326, Credit Loss

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments (Topic 326)*, which improves financial reporting by requiring earlier recognition of credit losses on certain financial assets, such as held-to-maturity debt securities. Subsequent to the issuance of ASU 2016-13, the FASB issued several additional ASUs to clarify implementation guidance, provide narrow-scope improvements, and provide additional disclosure guidance. The Company adopted ASU 2016-13 as of January 1, 2023, which did not result in a material impact on its consolidated financial statements and related disclosures.

Reclassifications

Certain amounts in the 2022 consolidated financial statements have been reclassified to conform to the current-year presentation.

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PB Group Holdings, LLC

Notes to Consolidated Financial Statements

2. Property and Equipment

Property and equipment consist of the following:

<i>December 31,</i>	2023	2022
Buildings and leasehold improvements	\$ 3,366,689	\$ 2,656,322
Vehicles	236,082	233,512
Equipment, furniture, and fixtures	2,923,273	2,435,348
Total Property and Equipment	6,526,044	5,325,182
Less: accumulated depreciation	(1,812,412)	(906,329)
Property and Equipment, Net	\$ 4,713,632	\$ 4,418,853

Depreciation expense was \$906,083 and \$624,959 for the years ended December 31, 2023 and 2022, respectively, and is included in operating expenses on the accompanying consolidated statements of operations.

3. Intangible Assets and Goodwill

Intangible assets consist of the following:

<i>December 31,</i>	Estimated Amortization Lives (Years)	2023	2022
Trade name	15	\$ 37,171,837	\$ 37,171,837
Franchise agreements	7	7,800,000	7,800,000
Non-compete covenant	5	140,000	140,000
Loyalty program	4	3,390,000	3,390,000
Payment in-lieu of parking fee	5	120,000	120,000
Total		48,621,837	48,621,837
Accumulated amortization		(10,601,356)	(6,523,349)
Intangible Assets, Net		\$ 38,020,481	\$ 42,098,488

Amortization expense related to intangible assets for the years ended December 31, 2023 and 2022, was \$4,078,007 and \$4,568,508 respectively, and is included in the consolidated statements of operations.

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PB Group Holdings, LLC
Notes to Consolidated Financial Statements

Future amortization expense related to intangible assets is as follows:

<i>Year ending December 31,</i>	
2024	\$ 4,555,186
2025	4,202,061
2026	3,638,602
2027	3,541,886
2028	3,541,886
Thereafter	18,540,860
Total	\$ 38,020,481

Goodwill consists of the following:

<i>December 31,</i>	2023	2022
Gross carrying amount	\$ 14,645,009	\$ 14,645,009
Accumulated amortization	(3,510,679)	(2,046,178)
Goodwill, Net	\$ 11,134,330	\$ 12,598,831

Amortization expense related to goodwill for each of the years ended December 31, 2023 and 2022, was \$1,464,501, and is included in the consolidated statements of operations.

Future amortization expense related to goodwill is as follows:

<i>Year ending December 31,</i>	
2024	\$ 1,464,501
2025	1,464,501
2026	1,464,501
2027	1,464,501
2028	1,464,501
Thereafter	3,811,825
Total	\$ 11,134,330

4. Debt

Debt consists of the following:

<i>December 31,</i>	2023	2022
Southfield Mezzanine debt	\$ 7,500,000	\$ 7,500,000
Texas Capital Bank debt	15,666,667	15,979,167
	23,166,667	23,479,167
Less: current portion	(1,312,500)	(850,000)
Less: unamortized deferred financing fees	(393,171)	(545,366)
Total Long-Term Debt	\$ 21,460,996	\$ 22,083,801

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

The annual scheduled future minimum principal repayments for debt as of December 31, 2023, are as follows:

Year ending December 31,

2024	\$	1,312,500
2025		1,750,000
2026		12,604,167
2027		7,500,000
Total	\$	23,166,667

Bank Debt

Southfield Mezzanine Debt

In July 2021, PB LLC entered into a loan agreement with Southfield Mezzanine Capital II LP (Southfield) for \$7,500,000 in connection with the acquisition of the Subsidiaries, alongside \$12,500,000 of funded senior debt (discussed below). The Loan is secured by a silent second lien on substantially all assets of the Company and a second priority pledge of the equity in PB LLC. Maturity of the loan is later of five years from closing or six months following the senior debt maturity. The Loan bears interest at a fixed rate of 12.5% per annum calculated on an actual/360-day basis, payable on a current basis, quarterly in arrears. The outstanding balance as of December 31, 2023 and 2022 was \$7,500,000.

Texas Capital Bank Debt

In July 2021, PB LLC entered into a loan agreement with Texas Capital Bank for \$12,500,000 for a term of ten years. Interest of 3.85% calculated on the loan and all other amounts payable by the Company hereunder on a per annum basis is computed on the basis of a 360-day year. The outstanding balance as of December 31, 2023 and 2022 was \$11,041,667 and \$11,979,167, respectively.

In July 2021, PB LLC entered into a delayed draw agreement with Texas Capital Bank for \$4,000,000 for a term of five years. Interest of 3.85% calculated on the loan and all other amounts payable by the Company hereunder on a per annum basis is computed on the basis of a 360-day year. The draw was made in November 2022 and is payable over a term of ten years. The outstanding balance as of December 31, 2023 and 2022 was \$4,625,000 and \$4,000,000, respectively.

The debt due to Texas Capital Bank is subject to certain restrictive financial covenants. As of December 31, 2023, PB LLC was in compliance with those financial covenants.

Debt Issuance Costs

Debt issuance costs related to PB LLC's debt liability are capitalized in the consolidated balance sheets and are presented as a direct deduction from the carrying amount of the debt liability. Amortization of debt issuance costs for the years ended December 31, 2023 and 2022, was \$152,195 and \$122,220, respectively, and is included on the accompanying consolidated statements of operations as a component of interest expense.

PB Group Holdings, LLC

Notes to Consolidated Financial Statements

5. Related Parties

Franchise Agreements with Related Parties

As of December 31, 2023, 13 franchise locations are owned by family members of PB LLC's members. Royalties and brand development revenue received totaled \$1,009,635 and \$750,778 from related party franchise locations for the years ended December 31, 2023 and 2022, respectively. Receivables from these locations were \$133,192 and \$49,126 as of December 31, 2023 and 2022, respectively.

Management Fee

Certain Members of the Company charge a management fee for advisory services. Management fee expense totaled \$300,000 for each of the years ended December 31, 2023 and 2022, respectively.

6. Members' Equity

Ownership rights in the Company consists of membership interests. During the years ended December 31, 2023 and 2022, distributions to members totaled \$6,564,592 and \$4,852,205, respectively. During the years ended December 31, 2023 and 2022, contributions totaled \$54,947 and \$0 from its members, respectively. All debts, obligations, and liabilities are solely those of the Company. Members are not obligated personally for any debts, obligations, or liabilities solely by reason of being a Member.

7. Commitments and Contingencies

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

8. Operating Leases

The Company leases its restaurants, commissaries, and office space under the terms of operating leases which expire at various dates through the year 2032. The restaurant, commissary, and office space leases have various renewal options and escalation clauses. The leases generally require the Company to pay its proportional share of property taxes, insurance on the property, normal maintenance, and annual rental escalations. Certain leases require contingent rent payments based upon a percentage of the applicable restaurant's sales.

The Company's components of lease expense under ASC 842 for the year ended December 31, 2023, were as follows:

Fixed lease expense	\$	1,586,475
Variable lease expense		581,007
Total	\$	2,167,482

The weighted-average remaining lease term at December 31, 2023 is 5.67 years. The weighted-average discount rate at December 31, 2023 is 1.69%. Cash paid for leases during 2023 totaled \$1,529,225.

PB Group Holdings, LLC
Notes to Consolidated Financial Statements

Maturities of operating lease liabilities are as follows:

<i>Year ending December 31,</i>	
2024	\$ 1,423,714
2025	1,434,563
2026	1,321,212
2027	1,146,605
2028	764,894
Thereafter	1,263,765
Less: amount representing interest	(123,519)
Total	7,231,234
Less: current portion	(1,423,714)
Long-Term Portion	\$ 5,807,520

9. Subsequent Events

Management has evaluated subsequent events through April 4, 2024, the date on which the consolidated financial statements were available to be issued.



PB Group Holdings, LLC

**Consolidated Financial Statements of the
Successor and Combined Financial
Statements of the Predecessor
Year Ended December 31, 2022 (Successor), and for
the Periods from July 28, 2021 to December 31,
2021 (Successor) and January 1, 2021 to
July 27, 2021 (Predecessor)**

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



PB Group Holdings, LLC

Consolidated Financial Statements of the Successor and Combined Financial Statements of the Predecessor

Year Ended December 31, 2022 (Successor), and for the Periods from July 28, 2021 to
December 31, 2021 (Successor) and January 1, 2021 to July 27, 2021 (Predecessor)

PB Group Holdings, LLC

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Independent Auditor's Report

To the Members
PB Group Holdings, LLC
Belmar, New Jersey

Opinion

We have audited the consolidated financial statements of PB Group Holdings, LLC (Successor), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, changes in members' equity, and cash flows for the year ended December 31, 2022, and for the period from July 28, 2021 to December 31, 2021, and the related notes to the consolidated financial statements. We have also audited the combined financial statements of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC (collectively, the Predecessor), which comprise the related combined statements of operations, changes in members' equity, and cash flows for the period from January 1, 2021 to July 27, 2021, and the related notes to the combined financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Successor as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year ended December 31, 2022, and for the period from July 28, 2021 to December 31, 2021, in accordance with accounting principles generally accepted in the United States of America. Additionally, the accompanying combined financial statements present fairly, in all material respects, the results of operations and cash flows of the Predecessor for the period from January 1, 2021 to July 27, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Successor and Predecessor 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.

Emphasis of a Matter - Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Successor changed its method of accounting for leases during the year ended December 31, 2022, due to the adoption of Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Successor and the combined financial statements of the Predecessor as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements of the Successor and the combined financial statements of the Predecessor.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements of the Successor and the combined financial statements of the Predecessor, 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 consolidated financial statements of the Successor and the combined financial statements of the Predecessor.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Successor's and Predecessor'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 consolidated financial statements of the Successor and the combined financial statements of the Predecessor.



- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Successor's and Predecessor's ability to continue as a going concern for a reasonable period of time.

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

BDO USA, LLP

April 28, 2023
Seattle, Washington

**Consolidated Financial Statements of the Successor and
Combined Financial Statements of the Predecessor**

PB Group Holdings, LLC
Consolidated Balance Sheets

<i>December 31,</i>	<i>Successor</i>	
	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,237,273	\$ 5,248,006
Accounts receivable	883,389	648,741
Employee retention credits receivable	3,404,315	6,989
Franchise fee receivables	725,749	343,000
Inventories	260,653	213,177
Prepaid expenses and other current assets	630,766	569,922
Total Current Assets	13,142,145	7,029,835
Property and equipment, net	4,418,853	4,253,960
Other Assets		
Goodwill, net	12,598,831	13,841,792
Intangible assets, net	42,098,488	46,402,996
Right-of-use assets	7,863,921	-
Total Other Assets	62,561,240	60,244,788
Total Assets	\$ 80,122,238	\$ 71,528,583
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	\$ 491,725	\$ 280,310
Other liabilities	1,519,762	274,745
Gift card liability	829,889	650,025
Accrued expenses	674,141	927,211
Current portion of long-term debt	850,000	416,667
Deferred rent	-	43,382
Deferred revenue, current portion	2,570,000	1,339,395
Operating lease liabilities, current portion	1,335,087	-
Total Current Liabilities	8,270,604	3,931,735
Long-Term Liabilities		
Long-term debt, net of current portion	22,083,801	18,915,747
Operating lease liabilities, net of current portion	6,794,497	-
Deferred revenue, net of current portion	449,545	232,871
Total Long-Term Liabilities	29,327,843	19,148,618
Total Liabilities	37,598,447	23,080,353
Members' Equity		
Equity attributable to PB Group Holdings, LLC	41,585,140	46,261,907
Equity attributable to noncontrolling interest	938,651	2,186,323
Total Members' Equity	42,523,791	48,448,230
Total Liabilities and Members' Equity	\$ 80,122,238	\$ 71,528,583

See accompanying notes to consolidated financial statements.

PB Group Holdings, LLC
Consolidated and Combined Statements of Operations

	<i>Successor</i>		<i>Predecessor</i>
	<i>Year Ended December 31, 2022</i>	<i>Period from July 28, 2021 to December 31, 2021</i>	<i>Period from January 1, 2021 to July 27, 2021</i>
Revenues			
Restaurant sales	\$ 29,579,736	\$ 8,774,594	\$ 14,699,026
Franchise royalties and initial franchise fees	7,383,933	2,551,088	3,180,681
Other revenue	-	612,794	502,410
Brand development fees	855,382	239,719	282,108
Total Revenue	37,819,051	12,178,195	18,664,225
Operating Expenses			
Cost of goods sold	12,092,345	3,868,861	6,003,811
Labor and benefits	9,760,932	2,996,106	4,035,824
Delivery and selling expenses	1,634,001	468,546	766,548
Rent related expenses	1,880,270	709,405	955,914
Repairs and maintenance	931,460	355,163	466,373
Advertising	911,118	469,558	439,912
Professional fees	2,866,864	864,332	481,973
General and administrative expenses	3,718,227	992,249	1,355,278
Depreciation and amortization expense	6,637,828	2,838,028	492,419
Transaction-related expenses	-	1,815,592	3,098,459
Total Operating Expenses	40,433,045	15,377,840	18,096,511
Income (Loss) From Operations	(2,613,994)	(3,199,645)	567,714
Other Income (Expenses)			
Other income	797,808	794,221	258,631
Employee retention credits	3,587,896	141,935	-
Interest expense	(1,549,901)	(641,152)	(9,533)
Total Other Income, net	2,835,803	295,004	249,098
Net Income (Loss)	221,809	(2,904,641)	816,812
Net Income Attributable to Noncontrolling Interest	1,094,388	157,231	571,417
Net Income (Loss) Attributable to PB Group Holdings, LLC	\$ (872,579)	\$ (3,061,872)	\$ 245,395

See accompanying notes to consolidated and combined financial statements.

PB Group Holdings, LLC

Consolidated and Combined Statements of Changes in Members' Equity

	Equity Attributable to PB Group Holdings, LLC	Equity Attributable to Noncontrolling Interest	Total
<i>Predecessor</i>			
Balance, January 1, 2021	\$ 1,855,154	\$ 1,366,352	\$ 3,221,506
Contributions	-	33,204	33,204
Distributions	(2,637,062)	(985,615)	(3,622,677)
Net income	245,395	571,417	816,812
Balance, July 27, 2021	\$ (536,513)	\$ 985,358	\$ 448,845
<i>Successor</i>			
Balance, July 28, 2021	\$ -	\$ -	\$ -
Equity issued in acquisition and noncontrolling interest	26,200,000	2,291,000	28,491,000
Contributions	23,238,260	-	23,238,260
Distributions	(114,481)	(261,908)	(376,389)
Net income (loss)	(3,061,872)	157,231	(2,904,641)
Balance, December 31, 2021	46,261,907	2,186,323	48,448,230
Distributions	(2,920,441)	(1,931,764)	(4,852,205)
Purchase of noncontrolling equity interest	(883,747)	(410,296)	(1,294,043)
Net income (loss)	(872,579)	1,094,388	221,809
Balance, December 31, 2022	\$ 41,585,140	\$ 938,651	\$ 42,523,791

See accompanying notes to consolidated and combined financial statements.

PB Group Holdings, LLC

Consolidated and Combined Statements of Cash Flows

	<i>Successor</i>		<i>Predecessor</i>
	<i>Year Ended December 31, 2022</i>	<i>Period from July 28, 2021 to December 31, 2021</i>	<i>Period from January 1, 2021 to July 27, 2021</i>
Cash Flows Provided by (Used in) Operating Activities			
Net income (loss)	\$ 221,809	\$ (2,904,641)	\$ 816,812
Adjustments to reconcile net income (loss) to net cash flows provided by (used in) operating activities:			
Paycheck Protection Program loan forgiveness	-	-	(238,381)
Depreciation and amortization	6,637,828	2,838,028	492,419
Deferred rent	-	43,382	3,288
Noncash operating lease cost	78,281	-	-
Amortization of debt issuance costs	122,220	103,836	-
Changes in operating assets and liabilities			
Accounts receivable	(234,648)	(648,741)	(830,977)
Employee retention credits receivable	(3,397,326)	(6,989)	-
Franchise fee receivables	(382,749)	(343,000)	62,000
Inventories	(47,476)	80,823	(116,658)
Prepaid expenses and other current assets	(60,844)	(418,922)	(31,170)
Accounts payable and accrued expenses	(41,655)	(2,355,479)	1,965,844
Other liabilities	1,245,017	274,745	1,272,075
Gift card liability	179,864	650,025	(411,763)
Deferred revenue	1,447,279	1,572,266	272,321
Net Cash Flows Provided by (Used in) Operating Activities	5,767,600	(1,114,667)	3,255,810
Cash Flows Used in Investing Activities			
Purchases of property and equipment	(789,852)	(335,330)	(348,307)
Business combination account holdback release	(201,400)	-	-
Business combination, net of cash acquired	-	(35,392,446)	-
Purchase of intangible asset	(120,000)	-	-
Net Cash Flows Used in Investing Activities	(1,111,252)	(35,727,776)	(348,307)
Cash Flows Provided by (Used in) Financing Activities			
Contributions from PB Group Holdings, LLC	-	23,238,260	-
Contributions from noncontrolling members	-	-	33,204
Borrowings of debt	4,000,000	20,000,000	1,377,499
Repayment of debt	(520,833)	-	(171,946)
Deferred financing costs	-	(771,422)	-
Purchase of noncontrolling equity interest	(1,294,043)	-	-
Distributions to PB Group Holdings, LLC	(2,920,441)	(114,481)	(2,637,062)
Distributions to noncontrolling members	(1,931,764)	(261,908)	(985,615)
Net Cash Flows Provided by (Used in) Financing Activities	(2,667,081)	42,090,449	(2,383,920)
Net Increase in Cash and Cash Equivalents	1,989,267	5,248,006	523,583
Cash and Cash Equivalents, beginning of period	5,248,006	-	3,383,220
Cash and Cash Equivalents, end of period	\$ 7,237,273	\$ 5,248,006	\$ 3,906,803
Supplemental Information			
Cash paid for interest	\$ 1,427,681	\$ 537,316	\$ 9,533
Cash paid for income taxes	\$ 31,214	\$ 72,832	\$ 152,540

See accompanying notes to the consolidated and combined financial statements.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

PB Group Holdings, LLC (PB LLC or the Successor) was formed as a limited liability company in Belmar, New Jersey. The Successor, together with its subsidiaries, operate as a group of entities, which specialize in offering acai bowls and other healthy food options via quick service style restaurants. Restaurant locations consist of 1) Successor-owned stores, which are each wholly owned limited liability companies, 2) franchisee-owned stores, and 3) stores operated as a joint venture. The operations of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC (together, the Predecessor) were substantially similar to that of the Successor. When referred to collectively, the Successor and Predecessor are referred to as the Company.

A schedule of Company-owned locations in operation, is as follows:

<i>December 31,</i>	2022	2021
Locations in Operation, beginning of year	26	25
Locations opened	1	1
Locations closed	(1)	-
Franchisee-owned locations acquired by PB LLC	1	-
Locations in Operation, end of year	27	26

A schedule of franchisee-owned locations in operation is as follows:

Locations in Operation, beginning of year	102	71
Locations opened	36	31
Locations closed	(1)	-
Franchisee-owned locations sold to PB LLC	(1)	-
Locations in Operation, end of year	136	102

Joint ventures are discussed separately within Note 1.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Principles of Consolidation, Combination, and Noncontrolling Interest

Predecessor

The Predecessor financial statements include the combined accounts of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC, as together the entities were under common control and were therefore treated as a single reporting unit. The ownership interests of combined entities not wholly owned by the Predecessor are presented as noncontrolling interests in the accompanying combined financial statements. Noncontrolling interests represent the share of combined entities owned by third parties. Noncontrolling interest is adjusted for the noncontrolling members' share of additional contributions, distributions, and the proportionate share of the net income or loss of each respective entity. All significant intercompany transactions and balances have been eliminated in combination.

Successor

The consolidated financial statements include the accounts of the Successor, its wholly owned subsidiaries (Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC), and consolidated joint ventures. The ownership interests of consolidated entities not wholly owned by the Successor are presented as noncontrolling interests in the accompanying consolidated financial statements. Noncontrolling interests represent the share of consolidated entities owned by third parties. Noncontrolling interest is adjusted for the noncontrolling members' share of additional contributions, distributions, and the proportionate share of the net income or loss of each respective entity. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

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

Predecessor

The period from January 1, 2021, to July 27, 2021, reflects the historical cost basis of accounting of the Predecessor that existed prior to the acquisition (see Note 2).

Successor

The year ended December 31, 2022, and the period from July 28, 2021, to December 31, 2021, are referred to as the "Successor periods". The Successor periods reflect the costs and activities as well as the recognition of assets and liabilities of the Predecessor at their fair values pursuant to the consummation of the acquisition (see Note 2). Due to the application of acquisition accounting by the Successor and the conforming of significant accounting policies, the results of operations, cash flows, and other financial information for the Successor periods are not comparable to the Predecessor period.

Reporting Period

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

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits and highly liquid investments with original maturities of 90 or fewer days. Financial instruments that potentially subject the Successor to significant concentrations of credit risk consist primarily of cash and cash equivalents. The Successor places its temporary cash investments with financial institutions. At times throughout the year the Successor may, in the ordinary course of business, maintain cash balances in excess of federally insured limits. As of December 31, 2022 and 2021, total cash and cash equivalents include \$151,617 and \$238,426, respectively, of amounts due from commercial credit card companies, such as Visa, MasterCard, and American Express, which are generally received within a few days of the related transaction.

Accounts Receivable

Accounts receivable primarily relate to royalty fee receivables from franchisees, as well as receivables from third party delivery services. The Successor uses the allowance method of valuing doubtful accounts receivable, which is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable receivable accounts considered at risk or uncollectible. No allowance for doubtful accounts receivable was determined as of December 31, 2022 or 2021.

Employee Retention Credits Receivable

During 2022 and 2021, under the Consolidated Appropriations Act and the American Rescue Plan, the Successor submitted various claims for Employee Retention Credits. The Employee Retention Credit is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages, up to \$10,000, (including qualified health plan expenses) an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. Effective January 1, 2021, the credit increased from 50% to 70% up to \$10,000 of the qualified wages (including qualified health plan expenses) per quarter through September 30, 2021. Employers are eligible for the credit if they experienced either a full or partial suspension of operations during any calendar quarter because of governmental orders due to the pandemic, or a significant decline in gross receipts based on comparing quarterly revenue for 2020 and/or 2021 with the comparable quarter in 2019. Based on the Successor's assessments performed throughout 2021 and 2022, it was eligible for \$3,729,831 in refundable tax credits. The Successor accounted for the refundable tax credits in accordance with ASC 958-605 as a component of other income. Income was recognized when the Successor substantially met the program's eligibility conditions, which were not met until the Successor determined that it met the conditions for the credit opportunity and thus submitted the applications for its refund. The credits are subject to review by the IRS; however, the Successor does not believe that the IRS' review is a barrier to recognition, and believes all conditions have been met to allow for income recognition. As of December 31, 2022 and 2021, the Successor has included \$3,404,315 and \$6,989, respectively, as a receivable on the consolidated balance sheets. During the year ended December 31, 2022, and for the period from July 28, 2021, to December 31, 2021, the Successor

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

recognized income of \$3,587,896 and \$141,935, respectively, was included in the accompanying consolidated statements of operations. The Predecessor did not recognize any employee retention credit income.

Franchisee Fee Receivables

The Successor's franchisee fee receivables represent amounts due from franchisees related to initial franchise fees and brand development fees. The Successor maintains an allowance for doubtful accounts for estimated losses that may arise if any of its franchisees are unable to make required payments under franchise and other agreements. In assessing the collectability of receivables, management specifically analyzes past payment trends, the age of franchisee balances, historical bad debt experience, franchisee creditworthiness, changes in payment terms and other nonfinancial information. If the financial condition of any of its franchisees were to deteriorate, whether due to franchisee specific or general economic issues, the Successor may be required to increase its allowance for doubtful accounts. Franchisee receivables are written off when all collection attempts have failed. As of December 31, 2022 and 2021, the Successor considered the receivables to be fully collectible; therefore, no allowance for doubtful accounts was recorded.

Inventories

Inventories consist primarily of restaurant food items, beverages, supplies, and certain retail items and are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Leases (Effective January 1, 2022)

Effective January 1, 2022, the Successor accounts for leases in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, Leases (ASC 842). The Successor determines if an arrangement is a lease at inception and then assesses for classification as either an operating or finance lease. Assets and obligations related to operating leases are included in right-of-use (ROU) assets and operating lease liabilities in the consolidated balance sheet.

ROU assets represent the Successor's right to use an underlying asset for the lease term and lease liabilities represent the Successor's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. The Successor has elected the practical expedient to use a risk-free rate as the discount rate in calculating the present value of the lease payments when the implicit rate in the lease is not determinable. Certain lease terms may include options to extend or terminate the lease, and these are included in the determination of the operating lease ROU asset and operating lease liability when it is reasonably certain that the Successor will exercise those options. Lease expense for operating leases is recognized in an amount equal to the lease payments over the lease term.

For leases with an initial term of twelve months or less, the Successor elected the exemption from recording ROU assets and lease liabilities for all leases that qualify, and records rent expense on a straight-line basis over the lease term.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Variable lease payments, which may vary based upon changes in facts or circumstances after the start of the lease (such as percentage rent or common area maintenance) are excluded from lease ROU assets and lease liabilities to the extent not considered fixed, and instead expensed as incurred.

Leases (Through December 31, 2021)

Prior to January 1, 2022, for operating leases, rent expense was recognized on a straight-line basis over the term of the lease.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized; expenditures for maintenance and repairs are charged to expense as incurred.

Estimated useful lives are generally assigned as follows:

	Years
Equipment, furniture, and fixtures	8
Vehicles	8
Buildings and leasehold improvements	Shorter of asset useful life or estimated terms of the lease

Goodwill

Goodwill represents the excess of cost over fair value of net assets of the units acquired.

The Successor accounts for goodwill in accordance with the accounting alternative provided by FASB Topic 350. Goodwill is amortized over a straight-line basis of 10 years, and is assessed for impairment if an event or circumstances indicate that the fair value of the Successor may be less than its carrying amount. A goodwill impairment loss is recognized to the extent the carrying amount of the Successor including goodwill exceeds its fair value.

An entity that elects the accounting alternative is further required to make an accounting policy election to test goodwill for impairment at either the entity level or the reporting unit level. The impairment assessment is a trigger-based assessment, whereby the Successor is only required to test goodwill for impairment if an event occurs or circumstances change that indicate the fair value of the entity may be below its carrying amount. The Successor has made the election to test for impairment at the entity level.

The Successor did not identify any triggering events as of December 31, 2022 and 2021, and accordingly, no impairment loss was recorded for goodwill.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Intangible Assets

Intangible assets are amortized over their estimated useful lives. The Successor evaluates the remaining estimated useful lives of intangible assets that are being amortized each reporting period to determine whether events and circumstances warrant a revision to remaining period of amortization. If the estimate of an intangible asset's remaining useful life is changed, the remaining carrying amount of the intangible asset is amortized prospectively over the revised remaining life.

Impairment of Long-Lived Assets

The Company assesses the recoverability of the recorded value of its long-lived assets, such as property and equipment, ROU assets, and intangible assets, whenever events or changes in business circumstances indicate the carrying amount of the asset may not be fully recoverable. The assessment of recoverability is based on management's estimate of undiscounted future operating cash flows of its long-lived assets. If the assessment indicates that the undiscounted operating cash flows do not exceed the net book value of the long-lived assets, then the difference between the net book value of the long-lived asset and the fair value of such asset is recorded as a charge against income in the consolidated and combined statements of operations.

The Company recorded no impairment charges on long-lived assets during 2022 or 2021.

Equity-Based Compensation

The Company has a leadership incentive plan (the Plan) for the purpose of granting profits interests in the Company to a select group of officers, employees, managers, consultants, or other key persons. The Plan allows for both time-based units, which vest ratably over five years, as well as performance-based units, which vest only upon a liquidation event. Equity-based compensation expense is measured at the grant date based on the fair value of the award. The measurement of fair value of the equity-based compensation units require judgment in the assumptions underlying the methods used to determine the fair value and can include Company performance volatility and risk-free interest rates. Vested time-based awards are retained at termination, however, there are options for the Company to repurchase the units upon employee termination. If the business relationship is terminated for cause, the Company retains the right to enforce forfeiture of the units. The Company accounts for forfeitures as they occur. As of December 31, 2022 and 2021, the Plan had granted 10 and 20 time-based and performance-based units, respectively. No compensation expense is being recorded for the performance-based units inasmuch as vesting is dependent upon future performance and an exit event for the Company, which is not currently deemed to be probable. In addition, no equity-based compensation expense is being recorded for the time-based units as it was deemed immaterial by the Company.

Exit or Disposal Cost Obligations

The Successor accounts for exit or disposal activities, including restaurant closures, in accordance with FASB ASC 420-10, *Exit or Disposal Cost Obligations*. Such costs include the cost of disposing of the assets and liabilities as well as other facility-related expenses from previously closed restaurants. These costs are generally expensed as incurred. Additionally, at the date the Successor ceases using property under an operating lease, the Successor records a gain or loss based on the difference between the remaining ROU asset and the operating lease liability. Termination penalties are included in the gain or loss on termination.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Gift Cards

Revenue from gift cards sold by the Company is recognized upon redemption. Until the redemption occurs, the outstanding balances on the gift cards are record as unredeemed gift card liabilities.

Revenue Recognition and Deferred Revenue

Restaurant Sales

The Successor and Predecessor recognize revenue from food and beverage sales when payment is tendered at the point of sale. Revenues are reported net on the accompanying consolidated and combined statements of operations with customer complimentary meals and gift card promotion discounts recorded as a component of sales discounts.

Royalty Fees

The sales-based royalty fee is considered variable consideration related primarily to the use of the license and trademarks and will be recognized as revenue in the same period as sales are earned by the franchisees. Sales-based royalty fees qualify under the royalty constraint exception, and do not require an estimate of future transaction price. The Company is utilizing the practical expedient which allows the Company to not disclose the transaction price allocated to the unsatisfied performance obligations for sales-based royalties.

Brand Development Fee Revenue

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

Under the franchise agreements and other agreements, the contributions received must be spent on advertising, marketing, creative efforts, media support, or other related purposes specified in the agreements and generally result in no profit or loss recognized. The Company has control of the brand development fund. The expenditures are primarily accounts paid to third parties, but may also include personnel expenses and allocated costs, as defined by the franchise agreements.

Initial Franchise Fees

Playa Bowls Franchisor, LLC (Playa Bowls) generates revenues from franchising through franchise agreements. Subsequent to the acquisition (see Note 2), Playa Bowls became a wholly owned subsidiary of the Successor. In consideration for the payment of an initial franchise fee, continuing royalties, and other amounts specified in the franchise agreement, the Company grants new franchisees the use of the Playa Bowls' trademarks, system, training, and restaurant operation assistance.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

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

The Company uses the private company practical expedient to recognize pre-opening services as a single performance obligation. These pre-opening services include:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related architectural and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

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

Deferred Revenue

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

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Summary of significant changes to the deferred revenue balance during 2022 and 2021 are as follows:

Balance, January 1, 2021	\$	786,525
Receipt of new multi-unit and franchise agreement fees		764,890
Revenue recognition from multi-unit and initial franchise fees		(492,529)
<hr/>		
Balance, July 27, 2021		1,058,886
Receipt of new multi-unit and franchise agreement fees		903,054
Revenue recognition from multi-unit and initial franchise fees		(389,674)
<hr/>		
Balance, December 31, 2021		1,572,266
Receipt of new multi-unit and franchise agreement fees		2,236,000
Revenue recognition from multi-unit and initial franchise fees		(788,721)
<hr/>		
Balance, December 31, 2022		3,019,545

Future amortization of deferred revenue of multi-unit and franchise agreement fees is as follows:

2023	\$	2,570,000
2024		39,490
2025		39,490
2026		39,490
2027		39,490
Thereafter		291,585
<hr/>		
Total	\$	3,019,545

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Advertising Expenses

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

Advertising expenses for the year ended December 31, 2022, and for the periods from July 28, 2021, to December 31, 2021 (successor) and January 1, 2021, to July 27, 2021 (predecessor) were \$911,118, \$469,558, and \$439,912, respectively, and are included in the accompanying consolidated and combined statements of operations.

Taxes Collected from Customers

The Company collects sales taxes from its customers that are remitted to various state governmental authorities when due. The Company's policy is to record taxes collected from customers as a component of accrued expenses and other current liabilities in its accompanying consolidated balance sheets. Revenue is reported net of sales taxes collected from customers in the consolidated and combined statements of operations.

Income Taxes

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

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

Joint Ventures

The Company determined that the joint ventures meet the definition of a variable interest entity (VIE) and accounts for its ownership interest in locations organized through joint venture and other agreements under the consolidation basis of accounting because the Company exercises significant control over these entities. The factors the Company evaluates when making the decision on whether an entity should be consolidated or unconsolidated include, but are not limited to, level of controlling or voting equity ownership, voting and kick out rights, activities that most significantly impact the entity's economic performance, the party that controls and manages such activities, the amount and characteristics of the Company's investment, the obligation or likelihood for the Company or other investors to provide financial support for the entity, and the similarity with and significance to the Company's business activities. In addition to evaluating all the factors above, the Company also takes into consideration the accounting guidance under Accounting Standard Codification 810, *Consolidation*. These factors are subject to significant judgments, performance of locations held by these entities, and general market conditions. The Company evaluated these factors in concluding that the joint venture owned locations should be accounted for as consolidated

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

entities. Financial information relating to noncontrolling interest in these entities is disclosed in the consolidated and combined statements of operations and consolidated and combined statements of changes in members' equity. During 2022, the Successor acquired 100% of the remaining interest in Playa Bowls Florida LLC, which was previously a 50%-owned joint venture. There were no changes to noncontrolling interest ownership percentages during 2021. As of December 31, 2022 and 2021, the Successor has included assets of \$4,112,509 and \$2,593,999, respectively, and liabilities of \$2,342,622 and \$280,997, respectively, in the consolidated balance sheets. With regard to the VIEs, there is no third-party debt, and any capital calls in excess of \$20,000 require the consent of all members. No such capital calls were made in 2022 or 2021.

Adoption of Accounting Standards Codification Topic 842, Leases

In February 2016, the FASB issued ASU 2016-02, *Leases* (Accounting Standards Codification (ASC) Topic 842) and subsequent amendments (collectively, ASC 842). ASC 842 requires lessees to generally recognize on the balance sheet, operating and finance lease liabilities and corresponding Right-of-use (ROU) assets for leases. Lessor accounting (and related sublessor accounting) is largely unchanged under ASC 842. Entities are required to use a modified retrospective approach on adoption, with the option of applying the requirements of the standard either (1) retrospectively to each prior comparative reporting period presented or (2) retrospectively at the beginning of the period of adoption, through a cumulative-effect adjustment to the opening balance of member's equity in the period of adoption. The Successor adopted the standard on January 1, 2022, using the modified retrospective approach at the beginning of the period of adoption. Consequently, periods before January 1, 2022, will continue to be reported in accordance with the prior accounting guidance in ASC 840. The Successor elected the package of practical expedients permitted under the transition guidance within ASC 842, which among other things, allows the Successor to carry forward the historical lease classification for leases that commenced before January 1, 2022, as well as to not separate lease and nonlease components.

The disclosure requirements of ASC 842 are included within Note 10. Adoption of ASC 842 resulted in changes in assets and liabilities in the Successor's balance sheet as follows:

	Balance as of December 31, 2021	Transition Adjustment	Balance as of January 1, 2022
Assets			
Right-of-use assets	\$ -	\$ 9,307,456	\$ 9,307,456
Liabilities			
Operating lease liabilities, current portion	-	1,345,261	1,345,261
Operating lease liabilities, net of current portion	-	8,005,577	8,005,577
Deferred rent	43,382	(43,382)	-

Reclassifications

Certain amounts in the 2021 consolidated and combined financial statements have been reclassified to conform to the current-year presentation.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

2. Business Combination

Effective at the close of business on July 27, 2021, the Predecessor entered into a Unit Purchase Agreement, pursuant to which PB LLC acquired all of the outstanding units of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC, less joint venture units owned by third parties (noncontrolling interest), in exchange for cash and ownership interests in PB LLC valued at \$26,200,000. This transaction was accounted for in accordance with ASC 805, *Business Combinations* (ASC 805). The primary purpose of the transaction was to provide growth capital and to support the continued buildout of the business, and to serve as advisors to current management.

Transaction expenses were \$1,815,592, and \$3,098,459 for the periods from July 28, 2021, to December 31, 2021 (successor) and January 1, 2021, to July 27, 2021 (predecessor), respectively. Transaction expenses include consulting, valuation, legal, and contingent fees associated with the acquisition. Included in the equity amounts noted above, there were approximately \$800,000 in payments related to management transaction bonuses to certain members of the executive team which resulted in an expense in the predecessor period. All expenses have been accounted for in accordance with ASC 805 and are reflected in the predecessor or successor period, with the exception of the expenses with debt issuance totaling \$771,422, which were capitalized (see Note 6).

The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date (rounded to the nearest \$000):

Consideration	
Net cash paid	\$ 37,550,000
Repayment of debt	1,750,000
Equity of PB LLC issued to sellers	26,200,000
Fair value of noncontrolling interests	2,291,000
<hr/>	
Total Consideration/Purchase Price	67,791,000
<hr/>	
Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed	
Assets Acquired	
Cash	3,907,000
Inventory	294,000
Prepaid expenses and other	151,000
Improvements and equipment	4,200,000
Intangible assets	48,358,000
Liabilities Assumed	
Accounts payable	(1,160,000)
Accrued expenses and other	(2,259,000)
Unfavorable leases	(144,000)
<hr/>	
Total Identifiable Nets Assets Assumed	53,347,000
Goodwill	14,444,000
<hr/>	
	\$ 67,791,000

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Intangible assets acquired are primarily related to trade name, franchise agreements, non-compete agreements, and leases that are favorable or unfavorable relative to current market terms. The Successor assessed the fair values of each intangible asset class using an income approach model.

The purchase price allocation resulted in the recognition of \$14,444,000 in goodwill. The Successor calculated goodwill as the fair value of the consideration given at the acquisition date less the fair value of the net identifiable assets acquired. No impairment to goodwill existed at the acquisition date. The goodwill recorded in this transaction is not deductible for tax purposes.

3. Revisions to 2021 Predecessor and Successor Financial Statements

The 2021 Predecessor and Successor financial statements have been revised to reflect corrections related to the following immaterial errors:

1. Errors within the successor period consolidated statement of cash flows
2. Consolidated statements of changes in members' equity:
 - a. Omission of noncontrolling interest from both predecessor and successor periods
 - b. Inaccurate recording/classification of initial capitalization of members' equity in the successor period
3. Errors in the calculation of amortization expense
4. Omission of the fair value of the noncontrolling interest in the calculation of the purchase price in the business combination
5. Investment in consolidated entities not properly eliminated
6. Inaccurate allocation of noncontrolling interest on the consolidated and combined statements of operations

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PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

The effects of the revisions to the relevant consolidated financial statements line items are as follows:

Consolidated Balance Sheet

<i>December 31, 2021</i>	As Previously Reported	Change	As Revised
Total Current Assets	\$ 7,029,834	\$ 1	\$ 7,029,835
Property and equipment, net	4,253,959	1	4,253,960
Other Assets			
Investments	312,963	(312,963)	-
Goodwill, net	12,152,609	1,689,183	13,841,792
Intangible assets, net	46,040,637	362,359	46,402,996
Total Other Assets	58,506,209	1,738,579	60,244,788
Total Assets	\$ 69,790,003	\$ 1,738,580	\$ 71,528,583
Liabilities and Members' Equity			
Current Liabilities	\$ 3,931,734	\$ 1	\$ 3,931,735
Long-Term Liabilities			
Long-term debt	18,915,747	-	18,915,747
Unfavorable leases	144,000	(144,000)	-
Deferred revenue, net of current portion	232,871	-	232,871
Total Long-Term Liabilities	19,292,618	(144,000)	19,148,618
Total Liabilities	23,224,352	(143,999)	23,080,353
Members' Equity			
Equity attributable to PB Group Holdings, LLC	-	46,261,907	46,261,907
Equity attributable to noncontrolling interest	-	2,186,323	2,186,323
Total Members' Equity	46,565,650	1,882,580	48,448,230
Total Liabilities and Members' Equity	\$ 69,790,003	\$ 1,738,580	\$ 71,528,583

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Consolidated Statement of Operations

<i>Period from July 28, 2021 to December 31, 2021</i>	As Previously Reported	Change	As Revised
Total Revenue	\$ 12,178,194	\$ 1	\$ 12,178,195
Operating Expenses			
Depreciation and amortization expense	2,150,563	687,465	2,838,028
General and administrative expenses	1,077,896	(85,647)	992,249
Other operating expenses	11,547,563	-	11,547,563
Total Operating Expenses	14,776,022	601,818	15,377,840
Loss From Operations	(2,597,828)	(601,817)	(3,199,645)
Other Income	295,004	-	295,004
Net Loss	(2,302,824)	(601,817)	(2,904,641)
Income Attributable to Noncontrolling Interest	212,341	(55,110)	157,231
Loss Attributable to PB Group Holdings, LLC	\$ (2,515,165)	\$ (546,707)	\$ (3,061,872)

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Consolidated Statement of Changes in Members' Equity

	As Previously Reported	Change	As Revised
Balance, January 1, 2021	\$ 1,043,958	\$ 2,177,548	\$ 3,221,506
Contributions	33,204	-	33,204
Distributions	(1,021,716)	(2,600,961)	(3,622,677)
Net income	816,810	2	816,812
Balance, July 27, 2021	\$ 1,024,797	\$ (575,952)	\$ 448,845
Balance, July 28, 2021	\$ -	\$ -	\$ -
Equity issued in acquisition and noncontrolling interest	-	28,491,000	28,491,000
Contributions	49,244,863	(26,006,603)	23,238,260
Distributions	(376,389)	-	(376,389)
Net loss	(2,302,824)	(601,817)	(2,904,641)
Balance, December 31, 2021	\$ 46,565,650	\$ 1,882,580	\$ 48,448,230

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Consolidated Statement of Cash Flows

<i>Period from July 28, 2021 to December 31, 2021</i>	As Previously Reported	Change	As Revised
Cash Flows Provided by (Used in) Operating Activities			
Net loss	\$ (2,302,824)	\$ (601,817)	\$ (2,904,641)
Adjustments to reconcile net loss to net cash flows provided by (used in) operating activities:			
Paycheck Protection Program loan forgiveness	(789,906)	789,906	-
Depreciation and amortization	2,197,622	640,406	2,838,028
Deferred rent	43,382	-	43,382
Amortization of debt issuance costs	-	103,836	103,836
Changes in operating assets and liabilities			
Accounts receivables	240,434	(889,175)	(648,741)
Employee retention claims receivable	-	(6,989)	(6,989)
Franchise fee receivables	-	(343,000)	(343,000)
Inventories	79,823	1,000	80,823
Prepaid expenses and other current assets	(252,717)	(166,205)	(418,922)
Accounts payable and accrued expenses	1,576,991	(3,932,470)	(2,355,479)
Other liabilities	(1,466,538)	1,741,283	274,745
Gift card liability	-	650,025	650,025
Deferred revenue	1,572,266	-	1,572,266
Net Cash Flows Provided by (Used in) Operating Activities	898,534	(2,013,200)	(1,114,667)
Cash Flows Provided by (Used in) Investing Activities			
Business combination, net of cash acquired	1,695,642	(37,088,088)	(35,392,446)
Purchases of property and equipment	-	(335,330)	(335,330)
Net Cash Flows Provided by (Used in) Investing Activities	1,695,642	(37,423,418)	(35,727,776)
Cash Flows Provided by Financing Activities			
Contributions from PB Group Holdings, LLC	3,744,863	19,493,397	23,238,260
Borrowings of debt	-	20,000,000	20,000,000
Debt issuance costs	(714,645)	(56,777)	(771,422)
Distributions to PB Group Holdings, LLC	(114,481)	-	(114,481)
Distributions to noncontrolling members	(261,908)	-	(261,908)
Net Cash Flows Provided by Financing Activities	2,653,829	39,436,620	42,090,449
Net Change in Cash and Cash Equivalents	5,248,006	-	5,248,006
Cash and Cash Equivalents, beginning of year	-	-	-
Cash and Cash Equivalents, end of year	\$ 5,248,006	\$ -	\$ 5,248,006
Supplemental Information			
Cash paid for interest	\$ -	\$ 537,316	\$ 537,316
Cash paid for income taxes	\$ -	\$ 72,832	\$ 72,832

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

4. Property and Equipment

Property and equipment consist of the following:

<i>December 31,</i>	2022	2021
Buildings and leasehold improvements	\$ 2,656,322	\$ 2,180,851
Vehicles	233,512	206,622
Equipment, furniture, and fixtures	2,435,348	2,147,857
Total Property and Equipment	5,325,182	4,535,330
Less: Accumulated depreciation	(906,329)	(281,370)
Property and Equipment, net	\$ 4,418,853	\$ 4,253,960

Depreciation expense was \$624,959, \$281,370, and \$492,419 for the year ended December 31, 2022, and for the periods from July 28, 2021, to December 31, 2021 (successor) and January 1, 2021, to July 27, 2021 (predecessor), respectively, and is included in operating expenses on the accompanying consolidated and combined statements of operations.

5. Intangible Assets and Goodwill

Intangible assets consist of the following:

<i>December 31,</i>	Estimated Amortization Lives (Years)	2022	2021
Trade name	15	\$ 37,171,837	\$ 37,171,837
Franchise agreements	7	7,800,000	7,800,000
Non-compete covenant	5	140,000	140,000
Loyalty program	4	3,390,000	3,390,000
Unfavorable lease	10	-	(144,000)
Payment in-lieu of parking fee	5	120,000	-
Total		48,621,837	48,357,837
Accumulated amortization		(6,523,349)	(1,954,841)
Intangible Assets, net		\$ 42,098,488	\$ 46,402,996

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Amortization expense related to intangible assets for the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor) was \$4,568,508, \$1,954,841, and \$0 respectively, and is included in the consolidated and combined statements of operations.

Future amortization expense related to intangible assets is as follows:

<i>Year Ending December 31,</i>	
2023	\$ 4,555,186
2024	4,555,186
2025	4,202,061
2026	3,638,602
2027	3,541,886
Thereafter	21,605,567
	\$ 42,098,488

Goodwill consists of the following:

<i>December 31,</i>	2022	2021
Gross carrying amount	\$ 14,645,009	\$ 14,443,609
Accumulated amortization	(2,046,178)	(601,817)
Goodwill, net	\$ 12,598,831	\$ 13,841,792

Amortization expense related to goodwill for the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor) was \$1,444,361, \$601,817, and \$0 respectively, and is included in the consolidated and combined statements of operations.

Future amortization expense related to goodwill is as follows:

<i>Year Ending December 31,</i>	
2023	\$ 1,444,361
2024	1,444,361
2025	1,444,361
2026	1,444,361
2027	1,444,361
Thereafter	5,377,026
	\$ 12,598,831

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

6. Notes Payable and Long-Term Loan

Long-term debt consists of the following:

<i>December 31,</i>	2022	2021
Southfield Mezzanine debt	\$ 7,500,000	\$ 7,500,000
Texas Capital Bank debt	15,979,167	12,500,000
	23,479,167	20,000,000
Less: Current portion	(850,000)	(416,667)
Less: Unamortized deferred financing fees	(545,366)	(667,586)
Total	\$ 22,083,801	\$ 18,915,747

The annual scheduled future minimum principal repayments for long-term debt as of December 31, 2022, are as follows:

<i>Year Ending December 31,</i>	
2023	\$ 850,000
2024	816,667
2025	816,667
2026	816,667
2027	816,667
Thereafter	19,362,499
Total	\$ 23,479,167

Bank Debt

Southfield Mezzanine Debt

In July 2021, the Successor entered into a loan agreement with Southfield Mezzanine Capital II LP (Southfield) for \$7,500,000 in connection with the acquisition of the Predecessor, alongside \$12,500,000 of funded senior debt (discussed below). The Loan will be secured by a silent second lien on substantially all assets of the Borrower and a second priority pledge of the equity in the Successor. Maturity of the loan is later of five years from closing or six months following the senior debt maturity. The Loan will bear interest at a fixed rate of 12.5% per annum calculated on an actual/360-day basis, payable on a current basis, quarterly in arrears. The outstanding balance as of December 31, 2022 and 2021 was \$7,500,000.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Texas Capital Bank Debt

In July 2021, the Successor entered into a loan agreement with Texas Capital Bank for \$12,500,000 for a term of 10 years. Interest of 3.85% calculated on the loan and all other amounts payable by Borrowers hereunder on a per annum basis shall be computed on the basis of a 360-day year. The outstanding balance as of December 31, 2022 and 2021 was \$11,979,167 and \$12,500,000, respectively.

In July 2021, the Successor entered into a delayed draw agreement with Texas Capital Bank for \$4,000,000 for a term of 5 years. Interest of 3.85% calculated on the loan and all other amounts payable by Borrowers hereunder on a per annum basis shall be computed on the basis of a 360-day year. The draw was made in November 2022 and is payable over a term of 10 years. The outstanding balance as of December 31, 2022 and 2021 was \$4,000,000 and \$0, respectively.

The notes payable due to Texas Capital Bank are subject to certain restrictive financial covenants. As of December 31, 2022, the Successor was in compliance with those financial covenants.

Paycheck Protection Program Loan

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program (PPP) loans that were forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

The PPP loan was administered by the U.S. SBA and the Banks. The PPP loan provided for customary events of default including, among other things, cross-defaults on any other loan with the issuing bank.

The proceeds of the PPP loan could be used for payroll costs, costs related to certain group health care benefits, rent payments, utility payments, mortgage interest payments, and interest payments on other debt obligations that were incurred before February 15, 2020. The Predecessor recognized loan forgiveness of \$238,381 for the period from January 1, 2021 to July 27, 2021, which is included on the accompanying combined statement of operations as a component of other income.

Debt Issuance Costs

Debt issuance costs related to the Successor's debt liability are capitalized in the consolidated balance sheets and are presented as a direct deduction from the carrying amount of the debt liability. Amortization of debt issuance costs for the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor) were \$122,220, \$103,836 and \$0, respectively, and are included on the accompanying consolidated and combined statements of operations as a component of interest expense.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

7. Related Parties

Franchise Agreements with Related Parties

As of December 31, 2022, 12 franchise locations are owned by family members of the Successor's members. Royalties and brand development revenue received totaled \$750,778, \$562,327, and \$440,454 from related party franchise locations for the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor), respectively. Receivables from these locations were \$49,126 and \$44,197 as of December 31, 2022 and 2021, respectively.

8. Members' Equity

Ownership rights in both Successor and Predecessor consist of membership interests. During the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor) distributions to members totaled \$4,852,205, \$376,389 and \$3,622,677, respectively. During the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor), contributions totaled \$0, \$4,917,497 and \$33,204 from its members, respectively. All debts, obligations, and liabilities shall be solely those of the Successor and Predecessor. Members are not obligated personally for any debts, obligations, or liabilities solely by reason of being a Member.

9. Commitments and Contingencies

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

10. Operating Leases

The Successor leases its restaurants, commissaries, and office space under the terms of operating leases which expire at various dates through the year 2032. The restaurant, commissary, and office space leases have various renewal options and escalation clauses. The leases generally require the Successor to pay its proportional share of property taxes, insurance on the property, normal maintenance, and annual rental escalations. Certain leases require contingent rent payments based upon a percentage of the applicable restaurant's sales.

The Successor's components of lease expense under ASC 842 for the year ending December 31, 2022, were as follows:

Fixed lease expense	\$	1,500,818
Variable lease expense		379,452
<hr/>		
Total	\$	1,880,270

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Under ASC 840, rent expense amounted to \$709,405 and \$955,914 for the periods from July 28, 2021, to December 31, 2021 (successor) and January 1, 2021, to July 27, 2021 (predecessor), respectively.

The weighted-average remaining lease term at December 31, 2022 is 6.4 years. The weighted-average discount rate at December 31, 2022 is 1.64%. Cash paid for leases during 2022 totaled \$1,345,261.

Maturities of operating lease liabilities are as follows for years ending December 31:

2023	\$	1,460,525
2024		1,469,423
2025		1,392,374
2026		1,277,698
2027		1,101,726
Thereafter		1,568,389
		<hr/>
		8,270,135
Less: Amount representing interest		(140,551)
		<hr/>
Total		8,129,584
Less: Current Portion		(1,335,087)
		<hr/>
Long-Term Portion	\$	6,794,497

As presented in the 2021 financial statements, future minimum lease payments required under operating leases with lease terms in excess of one year were as follows for the years ending December 31:

2022	\$	1,250,003
2023		1,184,270
2024		1,151,378
2025		1,126,642
2026		1,044,183
Thereafter		2,762,183
		<hr/>
Total	\$	8,518,659

11. Subsequent Events

Management has evaluated subsequent events through April 28, 2023, the date on which the consolidated and combined financial statements were available to be issued.

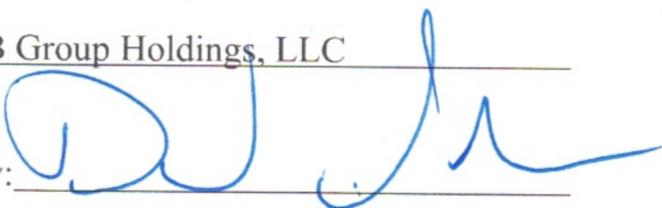
GUARANTEE OF PERFORMANCE

For value received, PB Group Holdings, LLC, a Delaware Limited Liability Company (the "Guarantor"), located at 803 Ocean Avenue, Belmar, NJ 07719, absolutely and unconditionally guarantees to assume the duties and obligations of Playa Bowls Franchisor, LLC, a New Jersey Limited Liability Company, located at 803 Ocean Avenue, Belmar, NJ 07719 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2024 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Sandy Springs, GA, April on the 5 day of 2024.

GUARANTOR:

PB Group Holdings, LLC

By: 

Name: David Krisher

Title: Chief Financial Officer

STATE OF GEORGIA

COUNTY OF FULTON

Personally appeared before me this 5TH day of APRIL, 2024, the above-named **David Krisher**, to me known to be the person who executed the foregoing application (as **Chief Financial Officer** of the above name applicant) and, after being administered an oath and duly sworn, swore upon oath that said application, and all exhibits submitted herewith, are true and correct.

Notary Public 

My Commission Expires: 08-16-2027





FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT E
FRANCHISE AGREEMENT



**PLAYA BOWLS
FRANCHISE AGREEMENT**

FRANCHISEE:

Playa Bowls Franchise Agreement

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Exhibit 4	Lease Agreement Rider
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Exhibit 6	Assignment of Telephone Numbers and Digital Media Accounts
Exhibit 7	ACH Authorization Form
Exhibit 8	General Release
Exhibit 9	Food Truck Addendum



FRANCHISE AGREEMENT

This Franchise Agreement (the “Agreement”) is entered into on _____ (“Effective Date”), by and between Playa Bowls Franchisor LLC, a New Jersey limited liability company with a principal place of business located at 803 Ocean Avenue, Belmar, New Jersey 07719 (the “Franchisor”) and _____ (the “Franchisee”).

RECITALS

WHEREAS, Franchisor has developed a distinctive and proprietary system (the “System”) for the development and operation of a Playa Bowls shop featuring acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, smoothies, juices, and other healthy menu items that Franchisor authorizes (the “Approved Products and Services”) for on-premises dining and carryout under the Licensed Marks (defined below) (each, a “Franchised Business” or “Shop”);

WHEREAS, the System and, therefore, each Playa Bowls Shop, is identified by the Licensed Marks and distinctive trade dress, service offerings, business formats, equipment, products, supplies, operating procedures, programs, methods, procedures, and marketing and advertising standards, all of which are part of the System and all of which Franchisor may modify from time to time; and

WHEREAS, Franchisee desires to obtain the non-exclusive license and right to use the System in the development and operation of one Playa Bowls Shop from a single fixed location within a designated territory and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties do hereby agree, as follows:

ARTICLE 1 **DEFINITIONS**

Supplementing the terms and definitions contained in the foregoing “Recitals”:

“**Accounting Period**” means the period of time selected and determined by Franchisor for the required measurement and reporting of financial information and payment of financial obligations by Franchisee. The applicable measurement period will be determined by Franchisor from time to time with respect to Franchisee’s obligations to report financial information and data to Franchisor and Franchisee’s payment of all fees and other obligations under this Agreement. The “Accounting Period” shall be a monthly period commencing not later than the earlier of the (a) Scheduled Business Commencement Date, or (b) the Actual Business Commencement Date of the Franchised Business and shall continue each and every month thereafter throughout the Term of this Agreement and any applicable renewal term. As to fees designated by Franchisor as being payable and due monthly, the Accounting Period shall be a monthly period commencing not later than the earlier of the (a) Scheduled Business Commencement Date, or (b) the Actual Business Commencement Date of the Franchised Business and shall continue each and every month thereafter throughout the Term of this Agreement and any applicable renewal term.

“Actual Business Commencement Date” means the date of the grand opening of the Franchised Business and/or the date upon which the Franchised Business is open to the public.

“Additional Initial Training Fee” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“Advertising Contributions” means any and all obligations of Franchisee to contribute to or pay fees to Franchisor, Franchisor’s affiliate and/or designees as set forth in this Agreement including, but not limited to, the National Marketing Fund Fee set forth in Article 9.A. of this Agreement.

“Advertising Cooperative” shall have the meaning defined and set forth in Article 9.F. of this Agreement.

“Alternative Channels of Distribution” means wholesale, and/or retail stores, outlets, supermarkets, grocery stores, E-Commerce marketplaces, E-Commerce channels of distribution, internet based sales channels, and other outlets that do not include restaurants.

“Ancillary Agreements” means, individually and collectively, each and every agreement between: (a) Franchisor and Franchisee, but not including this Agreement; (b) Franchisor and each of Franchisee’s Owners, whether individually and/or collectively; and (c) Franchisor and each Spouse of Franchisee’s Owners, whether individually and/or collectively. Without limitation to the foregoing, the term Ancillary Agreements includes the Owner and Spouse Agreement and Guaranty, Lease Agreement Rider, Collateral Assignment of Lease, and the Assignment of Telephone Numbers and Digital Media Accounts, as said agreements, individually and/or collectively, may have been entered into between the foregoing parties.

“Annual Conference Attendance Fee” means an annual conference attendance fee to be paid by Franchisee to Franchisor in an amount determined by Franchisor but not to exceeding \$1,500 annually.

“Annual System Conference” means a conference that may be established and organized by Franchisor for the purpose of facilitating networking among Playa Bowls Shop franchisees, and general education. Franchisor shall designate and determine whether or not an Annual System Conference shall occur and, if one is established in any particular year, the dates, content and location of the Annual System Conference. The Annual System Conference shall be for a duration of not more than three consecutive days per calendar year. Franchisee is responsible for all costs and expenses associated with Franchisee’s travel to and attendance at the Annual System Conference.

“Approved Products and Services” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean those products and services that Franchisor authorizes for sale by Playa Bowls Shops. Franchisor shall exclusively designate and determine the Approved Products and Services and Franchisor, in Franchisor’s Reasonable Business Judgment, may change, modify, reduce, or supplement the Approved Products and Services that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that Franchisor may make from time to time and Franchisor’s right to change and modify the Approved Products and Services, shall designate the Approved Products and Services that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Products and Services.

“Assignment of Telephone Numbers and Digital Media Accounts” means the Assignment of Telephone Numbers and Digital Media Accounts agreement attached to this Agreement as Exhibit 6.

“**Business Management System**” means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually, or collectively, designated by Franchisor, in Franchisor’s Reasonable Business Judgment, as being required for use by the Franchised Business.

“**Business Management System Data**” means the forms, data, tools, customer information, inventory, sales, and other information that: (a) is pre-populated or entered into the Business Management System; (b) is entered by Franchisor or Franchisee into the Business Management System; and/or (c) is recorded, stored and/or maintained in connection with the Franchised Business.

“**Captive Market**” means any and all facilities, venues, locations, and/or institutions with captive audiences or consumers, workers, members and/or participants. Without limitation to the foregoing, the term Captive Market shall further refer to and include, among other things: indoor malls, airports, transportation stations, factories, government facilities, military bases, hospitals, amusement parks, recreational parks or facilities, sports facilities, convention centers, travel centers, schools, colleges and other academic facilities, seasonal facilities, shopping malls, theaters, workplace cafeterias, hotels, and venues where food service is administered or provided as a concession by a master concessionaire.

“**Closed Market**” means any and all Captive Markets that are presently, or in the future, located within Franchisee’s Designated Territory.

“**Collateral Assignment of Lease**” means the Collateral Assignment of Lease agreement attached to this Agreement as Exhibit 5.

“**Competitive Business**” means any business that (i) is the same as or similar to a Playa Bowls Shop (including traditional shops and outlets, mobile kiosks, food trucks, and/or non-traditional outlets); and/or (ii) offers, sells, and/or provides acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, fruit bowls, smoothies, and/or juices.

“**Confidential Information**” means all of Franchisor’s and Franchisor’s affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date of this Agreement and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, recipes, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Playa Bowls Shops; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Playa Bowls Shops; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Playa Bowls Shops; (d) customer lists and information related to Playa Bowls Shops and the Franchised Business; (e) Business Management System Data; (f) recipes; (g) current and future information contained in the Operations Manual; and (h) Know-How.

“**Confidentiality Agreement**” means the sample form of Confidentiality Agreement attached to this Agreement as Exhibit 2.

“**Controlling Interest**” shall exist for the following individuals, Owners, partners and/or entities: (a) (If Franchisee is a corporation) a controlling interest shall exist for such shareholders and Owners of the voting shares of stock of Franchisee as (i) shall permit voting control of Franchisee on any issue, and/or (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (b) (If Franchisee is a general partnership) a controlling

interest shall exist for such partners and Owners that possess a managing partnership interest or such percentage of the general partnership interests in Franchisee as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (c) (If Franchisee is a limited partnership) a controlling interest shall exist for such partners and Owners that possess a general partnership interest; and (d) (If Franchisee is a limited liability company) a controlling interest shall exist for such members and Owners that possess a percentage of the membership interests as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power.

“**Copyrights**” means all works and materials for which Franchisor, or any affiliate of Franchisor has secured common law or registered copyright protection, and Franchisor uses and/or allows Playa Bowls Shop franchisees to use in the operation of a Playa Bowls Shop, whether as of the Effective Date of this Agreement or any time in the future.

“**Corporate Entity**” means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

“**Designated Territory**” means the territory identified and described in Schedule 1 attached to and made a part of this Agreement or, if Schedule 1 is not completed at the time of signing this Agreement, as Schedule 1 is otherwise completed in accordance with this Agreement. Franchisor, in Franchisor’s Reasonable Business Judgment and discretion, shall determine the Designated Territory. If Schedule 1 is not completed and/or is not signed by Franchisor there shall be no Designated Territory.

“**Digital Media**” means any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to, Playa Bowls Shops, the Franchised Business, the Licensed Marks, the System and/or Franchisor. Digital Media includes the System Website, and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“**Due Date**” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“**E-Commerce**” means the sale, distribution, and/or delivery of menu items, services and/or products including, but not limited to, the Approved Products and Services, merchandise, and other products and services designated by Franchisor, through channels of distribution that originate from and include among other things, the System Website, websites, web based portals, e-commerce platforms, online marketplaces, and other platforms related to the marketing, sale, and/or distribution of menu items, Approved Products and Services, and/or other products and services.

“**Effective Date**” shall be the date set forth, defined, and referred to in the first paragraph of this Agreement.

“**Franchised Business**” means the Playa Bowls Shop that Franchisee is required to develop, maintain, and operate as part of the System and in accordance with the terms, conditions and obligations set forth in this Agreement and the Operations Manual.

“Franchisee’s Shop Facility” means the Shop Facility from which Franchisee develops, operates, and manages the Franchised Business. Franchisee’s Shop Facility must be located at a Shop Location that has been approved by Franchisor.

“Franchisee’s Shop Location” shall have the meaning defined and set forth in Article 2.A. of this Agreement. Franchisee’s Shop Location must be designated in accordance with Schedule 1 of this Agreement and must be approved by Franchisor, in Franchisor’s Reasonable Business Judgment.

“Franchisor’s Reasonable Business Judgment” means, and relates to any and all decisions, actions and choices made by Franchisor concerning or relating to this Agreement, the System generally, Playa Bowls Shops and/or the Franchised Business where Franchisor undertakes or makes such decision with the intention of benefitting or acting in a way that could benefit the System. When making decisions and/or taking actions in Franchisor’s Reasonable Business Judgment, Franchisor may, in addition to all other rights afforded to Franchisor under this Agreement, consider factors, in whole or in part, that include: Franchisor’s profits, enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining designated territory markets, minimizing potential customer confusion as to the location of Playa Bowls Shops, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination, action and/or choice is made by Franchisor in Franchisor’s Reasonable Business Judgment that such decision, determination, action, or choice shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by Franchisor in Franchisor’s Reasonable Business Judgment that: (a) Franchisor possesses a legitimate interest in seeking to maximize Franchisor’s profits; (b) Franchisor shall not be required to consider Franchisee’s individual economic or business interests as compared to the overall System; and (c) should Franchisor economically benefit from such decision, determination, action and/or choice that such economic benefit to Franchisor shall not be relevant to demonstrating that Franchisor did not exercise reasonable business judgment with regard to Franchisor’s obligations under this Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee’s or such third party’s judgment for Franchisor’s Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge Franchisor’s Reasonable Business Judgment in any legal proceeding that Franchisee possesses the burden of demonstrating, by clear and convincing evidence, that Franchisor failed to exercise Franchisor’s Reasonable Business Judgment.

“GAAP” means United States Generally Accepted Accounting Principles.

“Gift Cards” means any and all gift cards, vouchers, receipts, cards, and other record of a pre-paid purchase transaction or credit that Franchisor authorizes or designates concerning a Playa Bowls Shop.

“Gross Sales” means the total dollar sales from all business and customers of the Franchised Business and includes the total gross amount of revenues, receipts, and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by Franchisee in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by Franchisee or any other person or Corporate Entity from business conducted or which started in, on, from or through the Franchised Business, Franchisee’s Shop Location, and/or Franchisee’s Shop Facility whether such business is/was conducted in compliance with or in violation of the terms of this Agreement. Supplementing the foregoing, Gross Sales further includes the total gross amount of revenues, receipts, and sales from whatever source derived from and/or derived by Franchisee

(including any person and/or Corporate Entity acting on behalf of Franchisee) from business conducted within and/or outside the Designated Territory that is related to the Franchised Business and/or a Competitive Business located and/or operated at Franchisee's Shop Location, at Franchisee's Shop Facility, within the Designated Territory, outside the Designated Territory, and/or otherwise (the foregoing does not constitute approval for Franchisee's operation of a Competitive Business and/or the operation of a Playa Bowls Shop outside of the Designated Territory). Gross Sales do not include (a) sales taxes that Franchisee collects and remits to the proper taxing authority, and (b) authorized promotional discounts that Franchisee provides to Shop customers.

“Immediate Family Member” means the spouse of a person and any other member of the household of such person, including, without limitation, children, and grandchildren of such person. Immediate Family Members shall further refer to and mean the spouse, children, grandchildren, and other members of the household of each Franchisee, if Franchisee is an individual, or each Owner of Franchisee if Franchisee is a Corporate Entity.

“IP Claim” shall have the meaning defined and set forth in Article 11.E. of this Agreement.

“Know-How” means Franchisor's trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Playa Bowls Shop including, but not limited to, methods, techniques, recipes, specifications, food preparation, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

“Lease Agreement Rider” means the form of Lease Agreement Rider attached to this Agreement as Exhibit 4.

“Licensed Marks” means the trademarks, service marks, indicia of origin, including the “Playa Bowls” trademark, the Playa Bowls logo, Trade Dress, and other trademarks, service marks, logos, slogans and designs authorized by Franchisor in connection with the identification of Playa Bowls Shops and the Approved Products and Services, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by Franchisor at any time in Franchisor's Reasonable Business Judgment.

“Management Service Fees” shall have the meaning defined and set forth in Articles 7.J. and 14.D. of this Agreement.

“Managers” means the Managing Owner plus all assistant managers of the Franchised Business and all other employees, independent contractors, consultants, directors, officers, and board members who may possess access to the Confidential Information.

“Managing Owner” means, if Franchisee is a partnership or Corporate Entity, the Managing Owner shall be the Owner responsible for the day-to-day oversight, management, and operation of the Franchised Business. The Managing Owner must possess, maintain and own not less than 25% of the equity and ownership interests in Franchisee. At all times, the Managing Owner must manage the operations of the Franchised Business.

“National Marketing Fund” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“**National Marketing Fund Fee**” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“**Operating Manager**” means the Manager designated by Franchisee or Franchisee’s Managing Owner, that is charged with the obligation and responsibility to supervise and manage (on-site at Franchisee’s Shop Facility) the day-to-day operations of the Franchised Business. At all times, the Operating Manager must: (a) meet all of Franchisor’s minimum training and brand quality control standards and criteria for managers as may be set forth in the Operations Manual; (b) successfully complete Franchisor’s initial training program; (c) sign the Confidentiality Agreement; and (d) agree, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business.

“**Operations Manual**” means, individually and collectively, the manual(s) designated by Franchisor and relating to the development and/or operations of Playa Bowls Shops including, but not limited to, the policies, procedures and requirements for the development and operation of Playa Bowls Shops. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to Franchisor’s modification from time to time and, based on Franchisor’s Reasonable Business Judgment, the Operations Manual may, among other things, designate the Approved Products and Services that must be exclusively offered and sold by the Franchised Business and, the System Supplies and designated vendors that must be exclusively used by Franchisee.

“**Operations Non-Compliance Fee**” shall have the meaning defined and set forth in Article 7.K. of this Agreement.

“**Operations Violation**” shall have the meaning defined and set forth in Article 7.K. of this Agreement.

“**Owner**” means collectively, individually and jointly: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s). Franchisee’s Owners are identified in Schedule 2 to this Agreement.

“**Owner and Spouse Agreement and Guaranty**” means the form of Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1.

“**Payment Non-Compliance Fee**” shall have the meaning defined and set forth in Article 5.D. of this Agreement.

“**Playa Bowls Shop(s)**” shall have the meaning defined in the Recitals section of this Agreement and, without limitation to the Recitals section definition of “Playa Bowls Shops”, shall further include, refer to and mean: every business and all businesses owned and/or operated by Franchisor, Franchisor’s affiliates and/or authorized franchisees that use and/or is/are required to use the System and/or Licensed Marks including, but not limited to, the Franchised Business.

“**Post-Term Restricted Period**” means the 24 month period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee, in compliance with the terms of this Agreement, Transfers this Agreement to another person or Corporate Entity. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Post-Term Restricted Period” means the 18 month period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee, in compliance with the terms of this Agreement, Transfers this Agreement to another person or Corporate Entity.

“**Prohibited Activities**” shall have the meaning defined and set forth in Article 6.D. of this Agreement.

“**Published Content**” means any and all information, data, articles, communications, videos, and other information relating to or concerning the Franchised Business, the System, or the Licensed Marks that is or was made available by Franchisee or Franchisee’s agents to the public in print or electronic media that is published, listed, made available, uploaded on, downloaded to, posted or distributed through Digital Media.

“**Relocation Fee**” shall have the meaning defined and set forth in Article 3.G. of this Agreement.

“**Renewal Ancillary Agreements**” shall have the meaning defined and set forth in Article 15.B. of this Agreement.

“**Renewal Fee**” shall have the meaning defined in Article 15.B.(5) of this Agreement. The Renewal Fee is a fixed sum equal to the then current initial franchise fee.

“**Renewal Franchise Agreement**” shall have the meaning defined and set forth in Article 15.B. of this Agreement.

“**Renewal Notice**” shall have the meaning defined and set forth in Article 15.B. of this Agreement.

“**Renewal Term**” shall have the meaning defined and set forth in Article 15.A. of this Agreement.

“**Reporting Non-Compliance Fee**” shall have the meaning defined and set forth in Article 12.C. of this Agreement.

“**Reporting Violation**” shall have the meaning defined and set forth in Article 12.C. of this Agreement.

“**Reputation Management Services**” means the customer review, review monitoring, reporting and/or reputation management services designated by Franchisor. Franchisor, in Franchisor’s Reasonable Business Judgement, shall exclusively select the Reputation Management Services to be used by Franchisee and to determine and select the websites, social media sites, reporting services, surveys, and service platforms to be included in any evaluation and/or determination of Franchisee’s customer satisfaction or approval ratings.

“**Reserved Rights**” shall have the meaning defined and set forth in Article 2.D. of this Agreement.

“**Restricted Territory**” means the geographic area: (a) comprising Franchisee’s Designated Territory; (b) comprising a 25 mile radius surrounding Franchisee’s Designated Territory or, if Franchisee is not granted or designated a designated territory, then a 25 mile radius surrounding Franchisee’s Shop Location; (c) comprising a 10 mile radius surrounding the Shop Locations for all other Playa Bowls Shops operating and/or under development as of the Effective Date of this Agreement; and (d)

comprising a 10 mile radius surrounding the Shop Locations for all other Playa Bowls Shops that are in operation or under development during all or any part of the Post-Term Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area comprising Franchisee’s Designated Territory plus a 25 mile radius surrounding Franchisee’s Designated Territory or, if Franchisee is not granted or designated a designated territory, then a 25 mile radius surrounding Franchisee’s Shop Location.

“**Royalty and Activity Report**” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“**Royalty Fee**” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“**Royalty Rate**” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“**Scheduled Business Commencement Date**” means the date that occurs on the 12 month anniversary of the Effective Date of this Agreement.

“**Shop Facility**” means the fixed commercial shop facilities including, the fixtures and improvements, from which Playa Bowls Shops are established, operated and managed.

“**Shop Location(s)**” means the fixed locations from which Playa Bowls Shops are developed, operated and managed.

“**Site Selection Acknowledgment**” means the form of Site Selection Acknowledgment attached to this Agreement as Exhibit 3.

“**Site Selection Area**” shall have the meaning defined and set forth in Article 2.A.(4) of this Agreement.

“**Site Selection Period**” means the period of time commencing on the Site Selection Acknowledgment Date (as such date may be set forth by Franchisor, and only Franchisor, in the Site Selection Acknowledgment) and automatically expiring 60 calendar days after the Site Selection Acknowledgment Date. If the Site Selection Acknowledgment Date is not set forth and acknowledged by Franchisor in the Site Selection Acknowledgment then, the Site Selection Period shall be zero days. If the Site Selection Acknowledgment is not signed by Franchisor, then there shall be no Site Selection Period.

“**Spouse**” means the legal spouse of an Owner as of the Effective Date.

“**Supplemental Training**” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“**Supplemental Training Fee**” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“**Supplier Evaluation Fee**” means the fee determined by Franchisor, in Franchisor’s Reasonable Business Judgment, and based upon the fees and/or expenses incurred by Franchisor in connection with the evaluation of a request by Franchisee for Franchisor’s consideration and/or review of a potential supplier. Under no circumstance is Franchisor required to approve of suppliers requested by Franchisee.

“**System**” shall have the meaning defined in the “Recitals” section of this Agreement and is further supplemented, as follows: without limitation to the Recitals section of this Agreement and supplementing the definition and meaning of the term “System”, System shall be defined to further include and mean: (a) the Approved Products and Services, System Supplies and the services, procedures and systems that are designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Playa Bowls Shop; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Playa Bowls Shop; (f) the Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment.

“**System Supplies**” means, as designate by Franchisor, those ingredients, food products, beverages, packaging materials, and supplies including, but not limited to, acai, pitaya, mango, coconut, granola, juices, and toppings, used to prepare menu items and Approved Products and Services, and, as designated by Franchisor, all other supplies and equipment including, but not limited to, branded packaging, paper goods, materials, uniforms, displays, menu boards, merchandise, furniture, fixtures, and equipment designated by Franchisor in the Operations Manual and as may be modified and supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment, as being required for the development and operation of the Franchised Business.

“**System Website**” means the web page and pages located on the world wide web at the www.playabowls.com URL and shall further include all webpages and subdomains, including those that are franchisee and/or geography specific, that are a part of www.playabowls.com, or as designated by Franchisor being associated with the URL of www.playabowls.com and/or Playa Bowls Shops.

“**Technology Fee**” shall have the meaning defined and set forth in [Article 5.C.](#) of this Agreement.

“**Term**” means the period of time set forth and defined in [Article 2.B.](#) of this Agreement, and the Renewal Term if Franchisee invokes Franchisee’s renewal rights in accordance with the terms of this Agreement.

“**Third Party Ordering / Delivery Services**” means businesses, Corporate Entities and individuals other than Franchisor or Franchisee, that offer and provide, in whole or in part, food delivery services, E-Commerce, and/or online ordering services.

“**Trade Dress**” means the Playa Bowls Shop designs, images, marketing materials, packaging, branding and/or branding images which Franchisor authorizes and requires Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by Franchisor from time to time.

“**Training Program**” shall have the meaning defined and set forth in [Article 4.A.](#) of this Agreement.

“**Transfer**” means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; (d) a sale or

exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee; and/or (e) the legal and/or equitable transfer and/or sale of an Owner's interests and/or voting rights in Franchisee.

“**Transfer Fee**” shall have the meaning defined in Article 14.C.(11) of this Agreement. The Transfer Fee is a fixed sum of \$10,000.

ARTICLE 2

GRANT OF FRANCHISE

2.A. GRANT OF FRANCHISE

Franchisee has requested that Franchisor grant to Franchisee the non-exclusive license and right to develop, own and operate a Playa Bowls Shop from a fixed Shop Location located within a specified territory. Relying on the representations made by Franchisee and/or Franchisee's Owners in any submitted application and during the application process and subject to the terms and conditions of this Agreement, Franchisee's request has been approved by Franchisor, subject to each of the following terms and conditions:

(1) During the Term of this Agreement and subject to the rights of Franchisor including, but not limited to, the Reserved Rights, Franchisor grants to Franchisee and Franchisee accepts, the non-exclusive license, right and obligation to develop and operate, one Playa Bowls Shop in conformity with the System and this Agreement from a single fixed shop location, selected by Franchisee but requiring the approval of Franchisor (“Franchisee's Shop Location”) and, as designated by Franchisor in Franchisor's discretion and Reasonable Business Judgment, within a Designated Territory.

(2) If, as of the Effective Date, Franchisee has selected a proposed Shop Location that Franchisor approves as Franchisee's Shop Location, then Franchisee's Shop Location and Designated Territory, if any, shall be identified in Schedule 1 of this Agreement. To be effective, Schedule 1 must be completed and signed by Franchisor. Franchisee's execution of Schedule 1 with a specific location for Franchisee's Shop Location shall constitute Franchisee's obligation to develop and operate the Franchised Business at the designated Franchisee Shop Location.

(3) If, as of the Effective Date, Franchisee has not selected a proposed Shop Location, and/or has not obtained Franchisor's approval of the proposed Shop Location, and/or Schedule 1 to this Agreement is left incomplete or is not signed by Franchisor, Franchisee must locate, identify and secure a Shop Location for the Franchised Business in accordance with the terms of this Agreement, including the requirement that Franchisee must obtain Franchisor's approval of Franchisee's Shop Location. If, after the Effective Date, Franchisee proposes and Franchisor approves of Franchisee's proposed Shop Location, such approval must be in writing and must be evidenced by Franchisor's execution of Schedule 1 with a specific Shop Location designated and identified in Schedule 1. At the time of executing a completed Schedule 1 and, thereby, approving Franchisee's proposed Shop Location, Franchisor, in Franchisor's discretion and Reasonable Business Judgment, shall designate and determine Franchisee's Designated Territory.

(4) If, as of the Effective Date or other appropriate periods after the Effective Date, Franchisee has not selected a proposed Shop Location that is approved by Franchisor but, Franchisee has identified an area in which Franchisee may look to secure a shop location for the Franchised Business, Franchisor, in Franchisor's discretion and Reasonable Business Judgment, may enter into the Site Selection Acknowledgment attached to this Agreement as Exhibit 3. If executed by Franchisor, within the Exhibit 3 Site Selection Acknowledgment, Franchisor shall designate a geographic area (the “Site Selection

Area”) within which Franchisor, during the Site Selection Period, shall not, on behalf of any third party, approve any new Shop Location. Franchisee agrees that the Site Selection Acknowledgment does not constitute Franchisor’s approval of a proposed Shop Location, does not constitute Franchisor’s designation of Franchisee’s Designated Territory, does not afford Franchisee any territorial rights in or to the Site Selection Area, and does not extend and/or modify any obligation on the part of Franchisee to timely secure an approved Shop Location in accordance with the terms of this Agreement.

(5) At all times, Franchisee’s rights in and to the real property and the business premises of Franchisee’s Shop Location shall be subordinate and subject to Franchisee’s and Franchisee’s landlord’s agreement to and execution of the Shop Location Lease Agreement Rider attached to this Agreement as Exhibit 4, and Franchisee’s agreement and execution of the Collateral Assignment of Lease attached to this Agreement as Exhibit 5.

(6) Franchisee may only offer and sell the Approved Products and Services from Franchisee’s Shop Location in accordance with the requirements set forth in the Operations Manual and only to retail customers for: (a) on-premises dining and consumption at Franchisee’s Shop Location; (b) in-person carryout from Franchisee’s Shop Location; (c) delivery within Franchisee’s Designated Territory; and (d) catering to customers located within Franchisee’s Designated Territory.

(7) Unless otherwise expressly permitted and authorized by Franchisor and, as such permission and/or authorization may be revoked, suspended, and/or modified by Franchisor in Franchisor’s Reasonable Business Judgment, Franchisee shall not directly or, indirectly, such as through third party vendors or delivery services, deliver Approved Products and Services to customers located outside Franchisee’s Designated Territory.

(8) Franchisor, in Franchisor’s Reasonable Business Judgment and for any reason or no reason at all, may prohibit Franchisee from soliciting customers located outside Franchisee’s Designated Territory.

(9) Except as otherwise provided in this Agreement including, but not limited to, the Reserved Rights, provided that, at all times Franchisee is and remains in compliance with all of the terms of this Agreement, during the Term of this Agreement, neither Franchisor nor any affiliate of Franchisor will establish or operate, or grant a franchise to any third party to establish a Shop using the Licensed Marks and System at a Shop Location that is located within Franchisee’s Designated Territory (provided that a Designated Territory has been designated and approved by Franchisor in accordance with the terms of this Agreement) but excluding Closed Markets.

(10) The foregoing rights granted in this Article 2.A, are subject to and contingent on the terms and conditions of this Agreement, the rights of any prior user, and are non-exclusive and subordinate to the Reserved Rights. Without limitation to the foregoing, Franchisee agrees that Franchisee, without any compensation to Franchisee, may face competition from other Playa Bowls Shops and distribution channels including, but not limited to: (a) Shops that are located within Closed Markets and/or located adjacent to and/or within a close proximity to Franchisee’s Shop Location or Designated Territory; (b) the sale of Approved Products and Services to customers located within and outside Franchisee’s Designated Territory through Alternative Channels of Distribution; (c) the sale of Approved Products and Services to customers located within and outside Franchisee’s Designated Territory through E-Commerce; (d) the delivery of Approved Products and Services within Franchisee’s Designated Territory by other Shops and/or System Franchisees through Third Party Ordering / Delivery Services; and (e) from all other marketing, sales, distribution, and delivery rights, restrictions, and/or other obligations otherwise set forth in this Agreement. Although Franchisor may disapprove of any marketing medium that is distributed and/or reaches inside or outside of Franchisee’s Designated Territory, Franchisor is not obligated to do so.

2.B. TERM

Unless sooner terminated pursuant to the terms of this Agreement, the term of this Agreement will be for a period of 10 consecutive years, commencing from the Effective Date (the “Term”).

2.C. GUARANTEES, CONFIDENTIALITY AND RESTRICTIVE COVENANTS

If Franchisee is, at any time, a Corporate Entity, Franchisee agrees that each Owner and their respective Spouse shall execute, sign and deliver to Franchisor the Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1 and, in doing so, among other things, will individually, jointly, and severally, guarantee Franchisee’s obligations under this Agreement and personally bind themselves to confidentiality and non-competition covenants and restrictions.

2.D. RESERVATION OF RIGHTS

Franchisor on behalf of itself, its affiliates and its assigns retains all rights, on any and all terms and conditions that Franchisor deems advisable and without any compensation or consideration to Franchisee to engage in the following activities (the “Reserved Rights”): (a) operate and grant to others the right to operate a Franchised Business, Playa Bowls Shop and/or other shops using the System and Licensed Marks at locations outside Franchisee’s Designated Territory; (b) acquire, be acquired, develop, or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses and/or the same as or similar to the Franchised Business, and after such acquisition, development, merger, and/or affiliation to own and operate and to franchise or license others the right to own and operate and to continue to own and operate such businesses, including Competitive Businesses and businesses that are the same as or similar to the Franchised Business within Franchisee’s Designated Territory, but not using the Licensed Marks; (c) use the Licensed Marks and System to distribute the Approved Products and Services or products and services similar to the Approved Products and Services including, but not limited to, merchandise, sauces, seasonings, flavorings, frozen menu items, prepackaged menu items, and prepared menu items, in and through Alternative Channels of Distribution within and/or outside Franchisee’s Designated Territory; (d) operate and grant to others the right to operate a Playa Bowls Shop at Captive Markets, both within and outside Franchisee’s Designated Territory; and (e) use the Licensed Marks and System and to license others to use the Licensed Marks and System to engage in all other activities not expressly prohibited by this Agreement.

2.E. MODIFICATION OF SYSTEM

Franchisor, in Franchisor’s Reasonable Business Judgment, reserves the right at all times to supplement, modify, alter and/or amend the System. Franchisee shall promptly comply with all such modifications to the System whether such modification(s) results in the addition, subtraction, modification and/or enhancement to any and/or all components of the System. Franchisor shall provide Franchisee with a reasonable time period to comply with any change or modification to the System which shall be communicated in writing by Franchisor to Franchisee, including, but not limited to, modifications, updated, amendments, and changes made by Franchisor to the Operations Manual. Franchisor’s modifications to the System shall not materially alter Franchisee’s fundamental rights under this Agreement.

2.F. CORPORATE ENTITY OWNERSHIP

If Franchisee is a Corporate Entity, Franchisee represents that the information contained in Schedule 2 to this Agreement is and shall remain complete, true and accurate throughout the Term of this Agreement.

ARTICLE 3

SHOP LOCATION, DEVELOPMENT, AND OPERATIONS

3.A. SHOP LOCATION

Franchisee shall develop, operate and manage the Franchised Business from a Shop Facility that is developed and established at a Shop Location, that: (a) was identified and evaluated by Franchisee; (b)

complies with the terms and conditions of this Agreement; (c) satisfies and meets Franchisor's standards and specifications; (d) is timely presented by Franchisee to Franchisor for approval as Franchisee's proposed Shop Location; (e) is approved by Franchisor as Franchisee's Shop Location; (f) is timely secured by Franchisee within 180 days of the Effective Date of this Agreement, as evidenced by a binding lease with a duration equal to the full Term of this Agreement; (g) is and, at all times, shall be exclusively dedicated to the operation of the Franchised Business; (h) is located within the Designated Territory, if Franchisor previously designated and approved, in writing, a Designated Territory; and (i) otherwise meets the terms and conditions of this Agreement and Franchisor's standards and specifications.

If Franchisor, in Franchisor's Reasonable Business Judgment, determines necessary, Franchisor may conduct one on-site evaluation of the proposed site for Franchisee's Shop Location. Franchisee will not lease, purchase or otherwise acquire a proposed Shop Location until such information as Franchisor may require as to the proposed Shop Location has been provided to Franchisor by Franchisee and, Franchisor has approved the location in accordance with the terms and conditions of this Agreement including, but not limited to, Article 2.A. of this Agreement. Franchisor shall respond to Franchisee's request for approval of a proposed Shop Location within a reasonable time period but not exceeding 30 days following Franchisor's receipt, from Franchisee, of complete written information about Franchisee's proposed Shop Location. If Franchisor rejects or disapproves Franchisee's proposed Shop Location, Franchisee must nevertheless identify and obtain Franchisor's approval of a proposed Shop Location within the time requirements set forth in this Agreement. Franchisor's disapproval of a proposed Shop Location shall not serve as a basis to extend any deadline or requirement set forth in this Agreement.

Franchisor's approval of Franchisee's proposed Shop Location is not and does not constitute a representation or warranty by Franchisor of any kind other than that Franchisor does not object to or disapprove of Franchisee's proposed Shop Location. No provision of this Agreement shall be construed or interpreted to impose an obligation on Franchisor to locate a Shop Location for the Franchised Business, to assist Franchisee in the selection of a suitable Shop Location for the Franchised Business or to provide assistance to the Franchisee in the purchase or lease of a Shop Location. If Franchisee leases Franchisee's Shop Location, Franchisee must use Franchisee's best efforts to ensure that the landlord signs the Lease Agreement Rider that is attached to this Agreement as Exhibit 4. If Franchisee's landlord refuses to sign the Lease Agreement Rider in substantially the same form as the attached Exhibit 4, such refusal may constitute grounds upon which Franchisor refuses to approve Franchisee's proposed Shop Location or withdraws such approval.

3.B. SHOP DEVELOPMENT

Franchisee shall develop and construct Franchisee's Shop Facility and Shop Location in accordance with Franchisor's standards and specifications and using only those types of construction materials, decorating materials, furniture, fixtures, equipment, trade dress signs, suppliers, advisors and contractors that Franchisor has approved in the Operations Manual, in supplements to the Operations Manual or as Franchisor otherwise designates and approves of in a writing specifically directed to Franchisee and signed by Franchisor.

Franchisee's Shop Facility and Franchisee's Shop Location must be constructed and established in accordance with Franchisor's plans and specifications. Franchisor shall provide Franchisee with Franchisor's generalized prototype plans and specifications. Prior to constructing, equipping and building out Franchisee's Shop Facility and Franchisee's Shop Location, Franchisee shall:

- (1) Prepare and submit to Franchisor for approval, which approval, specific plans and specifications prepared by the design consultants designated or approved by Franchisor and hired by Franchisee, at Franchisee's sole expense, whereby such plans and specifications are prepared specifically for Franchisee's Shop Facility and Franchisee's Shop Location and shall reflect and comply with

Franchisor's generalized plans and specifications and otherwise satisfy the specifications and requirements set forth in the Operations Manual. If Franchisor determines, in Franchisor's Reasonable Business Judgment, that any plans are not consistent with Franchisor's prototype plans and specifications, Franchisor may prohibit implementation of the plans and disapprove the plans;

(2) Obtain all required building, utility, sign, health, sanitation, liquor (if the System Products and Service include and permit the sale and service of alcohol), and business permits and licenses, and any other required permits and licenses;

(3) Construct all required improvements to Franchisee's Shop Location, purchase and install all required furniture, fixtures and equipment and decorate the premises in compliance with the plans and specifications approved in writing by Franchisor and all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions;

(4) Provide Franchisor timely written reports regarding the process of construction and remodeling in compliance with Franchisor's then current specifications; and

(5) Establish filing, accounting, and inventory control systems, conforming to the requirements prescribed by Franchisor, if any.

At all times, in the construction and operation of the Franchised Business, Franchisee shall exclusively install, use, attach, maintain, replenish, and replace only those types of construction and decorating materials, furniture, fixtures, equipment, and signs that Franchisor has approved or designated in the Operations Manual for Playa Bowls Shops as meeting Franchisor's specifications and standards for appearance, function and performance. Franchisee only may purchase approved or designated types of construction and decorating materials, fixtures, equipment, furniture, and signs from any supplier approved or designated by Franchisor, which may include Franchisor and Franchisor's affiliates.

3.C. SHOP OPENING

Franchisee must develop and open the Franchised Business to the public and, commence the day-to-day operations of the Franchised Business, on or before the Scheduled Business Commencement Date. Notwithstanding the foregoing, Franchisee agrees that prior to opening the Franchised Business to the Public, Franchisee must, as determined by Franchisor: (a) be in compliance with the terms and conditions of this Agreement; (b) have satisfied the pre-opening obligations set forth by Franchisor in the Operations Manual; (c) have completed and satisfied the training obligations designated by Franchisor; and (d) obtained Franchisor's written consent to open.

3.D. SHOP OPERATIONS

At all times, the Franchised Business shall: (a) be exclusively operated from Franchisee's Shop Location approved by Franchisor; (b) be exclusively operated from a Shop Facility approved by Franchisor; (c) exclusively offer and sell the Approved Products and Services as designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (d) ensure that the Approved Products and Services are only offered and provided by Franchisee through employees and/or Owners that have, to Franchisor's satisfaction, completed the training requirements and Training Programs required by Franchisor, in Franchisor's Reasonable Business Judgment and as may be modified and supplemented by Franchisor from time to time; (e) exclusively use, maintain and stock in inventory the System Supplies in such quantities and as designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (f) exclusively purchase the System Supplies from the suppliers and vendor(s) approved by Franchisor and designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (g) participate in all online and Digital Media ordering programs as designated by Franchisor, in Franchisor's Reasonable

Business Judgment, and as may be modified by Franchisor from time to time; (h) exclusively use, if at all permitted by Franchisor, Third Party Ordering and/or Delivery Services in accordance with Franchisor's standards and specifications; (i) comply with all pricing and promotion requirements as designated by Franchisor in accordance with Article 3.E., below; (j) issue, sell, redeem, honor, and accept, without the offset to any fees due to Franchisor, all Gift Cards designated by Franchisor and participate in, offer, redeem, and honor, without the offset to any fees due to Franchisor, all Gift Card and customer loyalty programs designated by Franchisor and in accordance with the rules and regulations adopted by Franchisor and as may be modified by Franchisor from time to time in Franchisor's Reasonable Business Judgment; (k) maintain openings and operating hours in conformity with Franchisor's then current standards and requirements, as designated by Franchisor in Franchisor's Reasonable Business Judgment, respecting, among other things, days, hours, and time of Shop operations and service offered to the public, and days, times, and holidays for opening and closing; and, without limitation to the foregoing; and (l) be operated in conformity with the Operations Manual as such Operations Manual exists as of the Effective Date of this Agreement and as the Operations Manual may be modified and supplemented from time to time in the future by Franchisor, in Franchisor's Reasonable Business Judgment. At all times Franchisee must maintain the necessary licenses and permits and those licenses and permits recommended and/or required by Franchisor in connection with Franchisee's ownership and operation of the Franchised Business.

Franchisee agrees that control over the nature, quality, branding and source of the System Supplies is critical to the System and that irrespective of the availability of substitute products, ingredients, supplies, inventory, uniforms and/or accessories, Franchisee shall only utilize the System Supplies as designated by Franchisor and only from those suppliers approved by Franchisor. Franchisee agrees that in many instances Franchisor and/or Franchisor's affiliates may be or may become the exclusive supplier of System Supplies.

Notwithstanding anything contained in this Article 3.D. or otherwise in this Agreement, Franchisee agrees that Franchisor possesses the right and discretion, in Franchisor's Reasonable Business Judgment, to grant other System franchisees and Playa Bowl Shops variances from System standards, menu item offerings, ingredients, supply chain requirements, and operational requirements for the purpose of accommodating local or regional consumer preferences, supply chain availability, and/or operational conditions and that Franchisor may do so without affording similar variances or rights to Franchisee.

3.E. PRICING AND PROMOTIONS

Where permitted by applicable law and, to the fullest extent permitted by law, Franchisor reserves the right to designate and establish, maximum, minimum, promotional, and other pricing requirements that Franchisee must comply with respecting prices charged to customers of the Franchised Business and promotions that Franchisee may and/or must offer to customers of the Franchised Business. Franchisee agrees that Franchisor's pricing and promotion requirements may change from time to time and may vary depending on geography (towns, cities, states, regions) and other factors designated by Franchisor including, Franchisor's designation of any local, regional, or national promotional campaigns. Franchisee agrees that Franchisor's pricing and promotional requirements may directly or indirectly impact Franchisee's Shop and that Franchisor may designate specific pricing to be included in advertisements and promotional materials. Franchisee agrees that nothing contained in this Article 3.E. shall be deemed a representation by Franchisor that if Franchisee follows Franchisor's pricing or promotion requirements that Franchisee will generate a profit. Franchisee agrees that pricing and/or promotional requirements designated by Franchisor may or may not optimize the revenues or profitability of Franchisee's Shop. Franchisee waives any and all claims related to Franchisor's establishment of prices charged and/or promotions offered at Franchisee's Shop. At all times, Franchisee agrees to inform Franchisor of all prices charged for menu items and all services and/or products offered and sold by Franchisee's Shop and to inform Franchisor of any modifications of Franchisee's prices and/or promotional offerings.

3.F. BUSINESS MANAGEMENT SYSTEM

Franchisee shall exclusively use the Business Management Systems designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified, supplemented or replaced by Franchisor from time to time. Franchisee cannot substitute or replace the Business Management System in favor of any substitutes or other systems. To the extent that the Business Management System is hosted, maintained, licensed or operated by third party suppliers, Franchisee shall purchase, license and maintain such Business Management System and/or systems from such third party suppliers designated by Franchisor and subject to Franchisor's standards and specifications. Franchisor may require that Franchisee's license, and use of the Business Management System occur through accounts registered to Franchisor, controlled by Franchisor, or licensed through Franchisor. Franchisee shall provide Franchisor with internet and complete remote access to such systems.

Franchisee is responsible for initial license fees, training fees and continuing monthly license fees required for use of the Business Management System as specified by Franchisor in Franchisor's Reasonable Business Judgment or by the suppliers designated by Franchisor and approved by Franchisor in Franchisor's Reasonable Business Judgment. Franchisee must complete training, purchase, and license the Business Management Systems no later than 30 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date. Franchisor may be and/or become the exclusive supplier and/or reseller of the Business Management System.

Supplementing the foregoing, Franchisee agrees that the Business Management System will contain proprietary and confidential information owned by Franchisor and related to the System, and that:

- (1) Franchisee shall use the Business Management System and the Business Management System Data for the exclusive benefit of the Franchised Business and in accordance with the terms of this Agreement and Franchisor's standards and specifications as set forth in the Operations Manual;
- (2) All rights in and to the Business Management System are non-transferable and non-assignable to Franchisee and shall be utilized by Franchisee subject to the terms and conditions of this Agreement, Business Management System licenses that Franchisor may approve of and otherwise as determined by Franchisor in Franchisor's Reasonable Business Judgment;
- (3) As between Franchisee and Franchisor, Franchisor is and shall be the exclusive owner of the Business Management System Data, except that Franchisee shall store and maintain such data in accordance with all applicable local, state and federal privacy, data collection and solicitation laws. Among other things, upon expiration or termination of this Agreement for any reason, Franchisee shall preserve and maintain the Business Management System data for the purpose of transferring such data to Franchisor;
- (4) At all times, Franchisee shall provide and permit Franchisor to maintain direct and independent access to the Business Management System and Franchisee shall electronically transfer and transmit to Franchisor all Business Management System Data;
- (5) When instructed by Franchisor, Franchisee shall upgrade, replace and modify the Business Management System;
- (6) Franchisee shall promptly disclose to Franchisor all ideas and suggestions for modifications or enhancements to the Business Management System, to the configuration and templates associated with the Business Management System and that Franchisor shall have the right to use such ideas and suggestions and that Franchisee shall not receive or obtain any ownership rights or interests in any modifications or enhancements to the Business Management Software;

(7) Other than permitting access to employees of the Franchised Business for the purpose of conducting the authorized operations of the Franchised Business, Franchisee shall not permit nor allow any third party to access, utilize, or duplicate the Business Management System or the Business Management System Data without Franchisor's prior written consent;

(8) Franchisee shall keep and maintain the Business Management System and the Business Management System Data as secret and confidential, and Franchisee shall maintain security precautions to maintain the confidentiality and secrecy of the Business Management System Data and to prevent the unauthorized access or use; and

(9) In no event shall Franchisor be liable to Franchisee for any damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to Franchisee's use or, Franchisee's inability to use, the Business Management System even if Franchisor has been advised of the possibility of such damages, or for any claim by any other party including the software manufacturer. The foregoing limitations of liability are intended to apply without regard to whether other provisions of the Agreement have been breached or proven ineffective.

3.G. DIGITAL MEDIA, SYSTEM WEBSITE AND TELEPHONE NUMBERS

As between Franchisor and Franchisee, Franchisee agrees that Franchisor is the absolute owner of the Digital Media. Franchisee shall not use, access or open accounts regarding or related to Digital Media unless expressly approved by Franchisor in writing which approval Franchisor may withhold, condition or limit as determined by Franchisor in Franchisor's Reasonable Business Judgment and which approval, if given, shall be limited to the marketing and promotion of the Franchised Business in accordance with Franchisor's standards and specifications. Upon expiration or termination of this Agreement for any reason, any prior authorization by Franchisor as to Franchisee's right to use the Digital Media and/or otherwise as to any rights of Franchisee in or to the Digital Media shall be automatically terminate and, at Franchisor's election, the right to any and all accounts and/or sites (if any) associated with Digital Media utilized by Franchisee shall be transferred to Franchisor. Under no circumstance shall Franchisee utilize the Digital Media for purposes of or with the effect of libeling or disparaging another nor shall Franchisee violate any copyrights – as to such actions as between Franchisee and any third party, Franchisee is exclusively responsible for disparagement, libel and/or copyright infringement if Franchisee published and/or caused such content to be published.

Franchisee agrees that Digital Media must be approved by Franchisor prior to publication or use in any form. Digital Media and Published Content that is approved by Franchisor or that otherwise is acceptable to Franchisor as meeting Franchisor's standards shall be owned by Franchisor. As between Franchisor and Franchisee, any and all interest and right in or to the Digital Media and/or Published Content shall, at all times, be and is the exclusive property of Franchisor both during the Term of this Agreement and upon the expiration or termination of this Agreement. Franchisee agrees that the System Website and all improvements and modifications made to the System Website, Digital Media, and Published Content is and shall be the exclusive property of Franchisor. During the Term of this Agreement and subject to Franchisee's compliance with the terms and conditions of this Agreement, the System Website, shall include information related to the Franchised Business as shall be determined and designated by Franchisor in Franchisor's Reasonable Business Judgment.

In the event of the termination of this Agreement, for any reason, that the accounts related to all telephone numbers associated with the Franchised Business and all rights in and to the telephone numbers associated with the Franchised Business, shall, at Franchisor's election, be transferred to Franchisor.

Without limitation to the foregoing, Franchisee shall, upon the request of Franchisor, execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts attached to this

Agreement as Exhibit 6. Upon the request of Franchisor, Franchisee shall execute, update, and/or re-execute the Assignment of Telephone Numbers and Digital Media agreement upon the request of Franchisor. As between Franchisor and all third parties, Franchisee does hereby represent and acknowledge that such third party is authorized to rely on the Assignment of Telephone Numbers and Digital Media agreement, irrespective of any dispute and/or controversy between Franchisor and Franchisee and irrespective of any contrary instructions of Franchisee.

3.H. SHOP RELOCATION

To the extent that Franchisee wishes to relocate the Franchised Business and, thereby, Franchisee's Shop Location and Franchisee's Shop Facility, Franchisee must obtain Franchisor's prior written consent, which Franchisor may refuse in Franchisor's Reasonable Business Judgment, and pay Franchisor the relocation fee equal to the actual costs and expenses incurred by Franchisor in connection with the relocation of the Franchised Business (the "Relocation Fee"). Franchisee agrees that if Franchisor does consent to the relocation of the Franchised Business, that Franchisor may condition Franchisor's consent to Franchisee's relocation request on requirements imposed by Franchisor which may include, among other things: (a) that the proposed Shop Location meet and satisfy Franchisor's then current standards for Shop Locations; (b) that the proposed Shop Facility meet and satisfy Franchisor's then current standards for Shop Facilities; (c) that the proposed Shop Facility be constructed and established in accordance with Franchisor's current standards and specifications; (d) that the proposed Shop Location be located within Franchisee's Designated Territory; (e) that the proposed Shop Location (even if it is located within the Designated Territory) not be within a close proximity to the Designated Territory and/or Shop Location of another Playa Bowls Shop; and (f) that, as to the proposed Shop Facility and proposed Shop Location, Franchisee satisfy the terms and conditions set forth in this Agreement for Shop Facilities, and Shop Locations including, but not limited to, the requirements set forth in Articles 2.A. and 3.B. of this Agreement. Additionally, as a condition of Franchisor's approval of Franchisee's relocation request, at the election of Franchisor in Franchisor's Reasonable Business Judgment, Franchisor may require Franchisee sign the then current Franchise Agreement and pay the then current initial franchise fee that is prorated to provide a credit based on the number of years remaining on the Initial Term of your original Franchise Agreement. Franchisee agrees that Franchisor possesses sole discretion as to whether or not Franchisor approves of Franchisee's relocation request.

ARTICLE 4

TRAINING AND OPERATING ASSISTANCE

4.A. INITIAL TRAINING, SUPPLEMENTAL TRAINING AND SYSTEM-WIDE TRAINING

(1) Within 30 days of the earlier of the Scheduled Business Commencement Date or the Actual Business Commencement Date, Franchisee's Managing Owner, one designated general Operating Manager, and one designated employee must complete, to Franchisor's satisfaction, Franchisor's initial training program (the "Training Program"). Franchisor will provide Franchisee, comprised of Franchisee's Managing Owner, one designated general Operating Manager, and one designated employee, with Franchisor's Training Program. If Franchisee would like more than three individuals to attend the initial Training Program, subject to Franchisor's approval, Franchisee shall pay to Franchisor an additional fee of \$1,000 per additional person per day attending Initial Training (the "Additional Initial Training Fee"). Additional Initial Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

Prior to opening and commencing the operations of the Franchised Business, the Managing Owner, and other personnel as designated or determined by Franchisor, must attend and successfully complete the Training Program designated by Franchisor. The training may include classroom and on-the-job instruction at a location or facility designated by Franchisor, and/or, at the election of Franchisor and as determined by Franchisor, in Franchisor's Reasonable Business Judgment, may be conducted

remotely through online web based conferencing. Following completion of the Training Program, Franchisee shall be responsible for the ongoing training of Franchisee's employees, staff and all other employees of the Franchised Business. Said on-going training must conform to Franchisor's standards and specifications. The Training Program shall be structured, configured and established by Franchisor from time to time. The Training Program may be structured so that it is offered and completed by Franchisee in various phases.

In addition to the Training Program, Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner, designated general Operating Manager, and any other personnel designated or determined by Franchisor must maintain certifications from an approved food safety and handling program, ServSafe or other similar program. Franchisee is responsible for all costs Franchisee incurs in attending training and obtaining certification including, without limitation, the cost of transportation, lodging, meals and any salaries and other wages.

(2) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner, and Operating Manager, at Franchisee's sole cost and expense, must attend and successfully complete all refresher training courses or system-wide training courses, additional training programs and seminars as Franchisor periodically may designate or offer in Franchisor's Reasonable Business Judgment. Franchisor provides instructors and training materials for those programs and seminars, but Franchisor reserves the right to assess Franchisee reasonable charges for such training. Franchisee is responsible for all expenses Franchisee and Franchisee's employee incurs in connection with attendance and participation in these programs and seminars, including, without limitation, the cost of transportation, lodging, meals and any salaries and other wages.

(3) Franchisee shall pay all costs and expenses incurred by Franchisee and, those attending training on behalf of Franchisee, in connection with Franchisee's participation in all Training Programs and, satisfaction of Franchisee's Training Program obligations as designated by Franchisor.

(4) Subject to Franchisor's approval and agreement, Franchisor may offer supplemental training to Franchisee at Franchisee's Shop Location or, as elected by Franchisor, remotely through online web based conferencing (hereinafter referred to as "Supplemental Training"). Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right to reject or approve of any request by Franchisee for Supplemental Training. If Franchisor does agree to offer and provide Supplemental Training, Franchisee shall pay to Franchisor a supplemental training fee at the rate of \$400 per trainer per day plus, if applicable, reimbursement of travel and hotel accommodation expenses incurred by Franchisor (the "Supplemental Training Fee"). Franchisee agrees that in each instance where Franchisee hires a new Operating Manager, and/or Franchisor, in Franchisor's Reasonable Business Judgment, determines that Franchisee is not satisfying and/or meeting Franchisor's operational standards, then, Franchisor may require that Franchisee, and/or, as applicable, Franchisee's Operating Manager participate in and, successfully complete, Supplemental Training pay the Supplemental Training Fees designated by Franchisor. Supplemental Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

(5) Franchisor, in Franchisor's Reasonable Business Judgment must approve of all individuals attending and participating in the Training Program and all Supplemental Training programs. All participants in the Training Program must qualify as either an Owner or Operating Manager and, prior to training, among other things, must have executed the Owner and Spouse Agreement and Guaranty or the Confidentiality Agreement, respectively.

4.B. OPERATING ASSISTANCE

From time to time and as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor shall advise Franchisee of those applicable standards, procedures and System requirements concerning the Franchised Business. Operating assistance may, as determined by Franchisor, in Franchisor's sole discretion, consist of:

- (1) Establishing and communicating systems and procedures related to the development and operation of the Franchised Business;
- (2) Establishing and communicating Approved Products and Services and, as applicable and as determined by Franchisor, modifications, if any, to the Approved Products and Services including, but not limited to, additions, deletions, and/or changes to the Approved Products and Services;
- (3) Designating and communicating System Supplies and, as applicable and as determined by Franchisor, modifications, if any, to the System Supplies including, but not limited to, additions, deletions, and/or changes to the System Supplies;
- (4) Designating and communicating approved and designated suppliers of the Franchised Business and, as applicable and as determined by Franchisor, modifications, if any, to approved and designated suppliers including, but not limited to, additions, deletions, and/or changes to the approved and designated suppliers;
- (5) Establishing and communicating marketing and brand standards related to the promotion of the Franchised Business;
- (6) Approving or disapproving of Franchisee requests related to marketing materials and Digital Media that may be used to market the Franchised Business; and
- (7) Establishing and communicating System standards and requirements in the form of the Operations Manual and, as Franchisor, in Franchisor's sole discretion.

4.C. OPERATIONS MANUAL

Franchisor shall provide Franchisee with access to the Operations Manual. The Operations Manual contains, as designated and determined by Franchisor, mandatory and, as applicable, suggested specifications, standards and operating procedures that Franchisor prescribes for Playa Bowls Shops. Franchisee shall operate the Franchised Business in strict accordance with the standards, specifications, and requirements set forth in the Operations Manual as, such standards, specifications, and requirements including, but not limited to, the Approved Products and Services, System Supplies, and, authorized and designated suppliers, as of the Effective Date of this Agreement, and, as they may be supplemented, modified, changed, and/or replaced in the future and, from time to time, by Franchisor, in Franchisor's Reasonable Business Judgment. Franchisee shall keep and maintain the confidentiality of the Operations Manual and, shall keep and maintain all files, data and information contained in the Operations Manual in a secure location and/or in a protected confidential state and, as otherwise directed by Franchisor. The master copy and official version of the Operations Manual is and shall be the copy and/or version maintained and designated by Franchisor in Franchisor's ordinary course of business.

Franchisor shall provide Franchisee with reasonable notice of modifications and changes made to the Operations Manual and, such notice may take form of electronic communications including emails and, if the Operations Manual is maintained on an online web based platform, notifications within said platform. Franchisor shall provide Franchisee with a reasonable period of time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, to implement change and modifications to the as set forth in

the Operations Manual. Without limitation to the foregoing, Franchisee may only offer and sell the Approved Products and Services and utilize the System Supplies as designated by Franchisor, in Franchisor's Reasonable Business Judgment, in the Operations Manual and, in accordance with the terms, specifications and requirements set forth in the Operations Manual and as Franchisor may supplement and modify the Operations Manual from time to time or, as Franchisor may otherwise designate in writing.

ARTICLE 5

FEES

5.A. INITIAL FRANCHISE FEE

Upon execution of this Agreement Franchisee shall pay to Franchisor a non-recurring initial franchisee fee (the "Initial Franchise Fee") of \$35,000. The Initial Franchise Fee is fully earned by Franchisor upon execution of this Agreement and is not refundable.

5.B. ROYALTY FEES

Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly non-refundable royalty fee (the "Royalty Fee") in an amount equal to 6% (the "Royalty Rate") of Franchisee's monthly Gross Sales. The Royalty Fee shall be calculated on a monthly basis for each respective monthly Accounting Period and shall be otherwise subject to the terms of this Agreement. The Royalty Fee during any Renewal Term shall be determined by Franchisor but shall not be less than the Royalty Fee and Royalty Rate set forth in this Agreement.

On-Going Obligation: The Royalty Fee is an on-going obligation due from Franchisee to Franchisor, is payable in United States Dollars and, as designated by Franchisor, is to be calculated and paid monthly (unless another recurring Accounting Period is designated by Franchisor) on the Gross Sales for the previous monthly Accounting Period for each and every month throughout the Term of this Agreement and any applicable renewal term.

Payment and Due Date: Royalty Fee payments will be paid monthly and sent by ACH, electronic funds transfer, or as otherwise designated by Franchisor and shall be due on the 10th of each monthly Accounting Period (for the preceding month and each month thereafter throughout the entire Term of this Agreement) or such other specific day of the month that Franchisor designates from time to time or for such other period that Franchisor may designate (the "Due Date")(the term Due Date is further defined in Article 1 of this Agreement).

Tax Obligations: If any federal, state or local tax, other than an income tax, is imposed on the Royalty Fee paid by Franchisee to Franchisor that, Franchisor cannot directly and, dollar for dollar, offset against taxes required to be paid by Franchisor under any applicable federal or state laws, Franchisee must compensate Franchisor in the manner prescribed by Franchisor so that the net amount or net rate received by Franchisor for the Royalty Fee is not less than that which has been established by this Agreement and which was due to Franchisor on the effective date of this Agreement.

Payment Authorization: Upon the request of Franchisor and in no event not later than 30 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date, Franchisee shall execute Franchisor's designated ACH Authorization Form and such other authorization agreements, in the form proscribed by Franchisor and permitting Franchisor's direct withdrawal and/or electronic transfer of sums from Franchisee's designated business bank account, for the on-going payment of Royalty Fees, and other fees and sums due from Franchisee under this Agreement. As of the Effective Date, Franchisor's current ACH Authorization that must be executed and complied with by Franchisee is attached to this Agreement as Exhibit 7. Franchisor may require Franchisee to pay the Royalty Fees and

other amounts due under this Agreement by means other than ACH and/or automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

Royalty and Activity Reports: On the Due Date each week, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, as designated by Franchisor, a Royalty and Activity Reports containing information as designated by Franchisor and relating to the Gross Sales, financial performance, and operations of the Franchised Business for the preceding monthly Accounting Period (the "Royalty and Activity Report"). Franchisor shall have the right to verify such royalty payments from time to time, as it deems necessary in any reasonable manner.

5.C. OTHER FEES

As designated by Franchisor in this Agreement, the Operations Manual, or otherwise, Franchisee shall pay to Franchisor and/or as otherwise directed by Franchisor, each of the following additional fees:

(1) Technology Fee – Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly non-refundable Technology Fee. Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right, at any and all times throughout the Term of this Agreement, to implement and charge Franchisee a monthly Technology Fee in an amount designated by Franchisor but provided that such monthly fee does not exceed \$450 per month. The Technology Fee is a general administrative fee and is not connected to any particular service. The Technology Fee shall be paid to Franchisor each and every month on the Due Date.

(2) National Marketing Fund Fee – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees the National Marketing Fund Fee as set forth in Article 9.A. of this Agreement.

(3) Point of Sale System Fee – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees an on-going weekly, monthly, and/or per use point of sale system fee throughout the Term of this Agreement respecting Franchisee's license and use of the point of sale system as designated and specified by Franchisor, in Franchisor's Reasonable Business Judgment.

(4) Online Ordering, Customer Rewards, and Gift Card System Fees – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees on-going weekly, monthly, and/or per use fees related to licensing and utilizing the technology systems and platforms used for facilitating, managing, and integrating online ordering, customer rewards and/or gift card processing as designated and specified by Franchisor, in Franchisor's Reasonable Business Judgment.

(5) Quality Assurance Audit Fees – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees, on-going weekly, monthly, and/or per use fees related to quality assurance programs designated by Franchisor related to periodic inspections of Franchisee's Shop and/or secret shopper evaluations.

(6) Annual Conference Fees – Franchisee shall be responsible for all expenses of its personnel attending the Annual System Conference including travel, meals and lodging. Franchisee shall be required to pay to Franchisor an Annual Conference Attendance Fee. **Franchisee agrees that if Franchisee fails to attend the Annual System Conference that Franchisor shall, nevertheless, charge and Franchisee shall pay the Annual Conference Attendance Fee – even if Franchisor waives such fee for franchisees who attend the Annual System Conference.**

(7) Supplemental Training Fees – Franchisee shall pay to Franchisor all training fees in accordance with the terms of this Agreement including, but not limited to, Additional Initial Training Fees and Supplemental Training Fees.

(8) Non-Compliance Fees – Franchisee shall pay to Franchisor all non-compliance fees in accordance with the terms of this Agreement including, but not limited to, Payment Non-Compliance Fees, Operations Non-Compliance Fees, and Reporting Non-Compliance Fees.

(9) All Other Fees and Obligations Set Forth in this Agreement – Franchisee shall pay to Franchisor, Franchisor’s affiliates, or Franchisor’s designees all other fees, charges, and/or expenses set forth in this Agreement and in accordance with the terms of this Agreement. If no particular due date is stated in this Agreement then such date or dates shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment.

5.D. PAYMENT NON-COMPLIANCE FEES AND CHARGES

In addition to all other rights afforded to Franchisor under this Agreement, in connection with each and every fee, charge, and/or obligation payable and due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to, this Article 5, within 14 days of Franchisor’s invoice, Franchisee shall pay to Franchisor: (a) a payment non-compliance fee in the amount of \$150 (the “Payment Non-Compliance Fee”) for each and every instance where a fee, charge, and/or obligation payable to Franchisor under this Agreement is not paid in full when due; plus (b) interest on all unpaid fees, sums, and/or obligations payable and due from Franchisee to Franchisor at an interest rate equal to the lesser of either 18% per annum, or the maximum interest rate allowed by applicable law and with interest accruing on the date when such fee, sum, or obligation was due; plus (c) all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney’s fees, costs, and expenses. Additionally, if Franchisee’s bank account possesses insufficient funds and/or fails to process a payment related to any fee due to Franchisor, Franchisor may charge the greater of either (i) 5% of the amount, (ii) \$50 for each instance; or (iii) the maximum amount allowed by law. The foregoing does not constitute Franchisor’s agreement to accept payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee’s operation of the Franchised Business. Nothing contained in this Article 5.D. shall be interpreted as interfering with and/or negating Franchisor’s rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

5.E. APPLICATION OF PAYMENTS

Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisee to Franchisor to any past due indebtedness of Franchisee for Royalty Fees, Advertising Contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates.

5.F. WITHHOLDING PAYMENTS UNLAWFUL

Franchisee agrees that under no circumstance is Franchisee entitled to withhold payments due to Franchisor under this Agreement. Among other things and without limitation to the foregoing, Franchisee expressly agrees that any claim by Franchisee as to the alleged non-performance of Franchisor’s obligations shall not permit and/or entitle Franchisee to withhold payments due Franchisor under this Agreement.

ARTICLE 6 **RESTRICTIVE COVENANTS AND OBLIGATIONS**

6.A. NECESSITY FOR RESTRICTIVE COVENANTS

Franchisee agrees that only through the course of entering into this Agreement is Franchisee being provided with access to the System, Franchisor’s training, use of the Licensed Marks and, access to the Operations Manual and Confidential Information. Franchisee agrees that competition by Franchisee, Owners, Spouses and/or Immediate Family Members could jeopardize the entire System and cause irreparable harm to

Franchisor and franchisees of Playa Bowls Shops. Accordingly, Franchisee and Franchisee's Owners and Spouses agree to comply with the restrictive covenants set forth in this Article 6 and throughout this Agreement.

6.B. RESTRICTIVE COVENANTS: KNOW-HOW

Franchisee agrees that, at all times, both during the Term of this Agreement and, after its expiration or termination, Franchisee: (a) shall not use the Know-How in any business or capacity other than the operation of the Franchised Business pursuant to this Agreement and as instructed by Franchisor; (b) shall maintain the confidentiality of the Know-How at all times; (c) shall not make unauthorized copies of documents containing any Know-How; (d) shall take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Know-How; and (e) shall stop using the Know-How immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (a) Franchisee's Owners and Spouses and, that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (b) Franchisee's directors, officers, employees and agents where disclosure of the Know-How was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

6.C. RESTRICTIVE COVENANTS: CONFIDENTIAL INFORMATION

Franchisee agrees that, at all times, both during the Term of this Agreement and, after its expiration or termination, Franchisee: (a) shall not use the Confidential Information in any business or capacity other than the Playa Bowls Shop operated by Franchisee; (b) shall maintain the confidentiality of the Confidential Information at all times; (c) shall not make unauthorized copies of documents containing any Confidential Information; (d) shall take such reasonable steps as Franchisor may ask of Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (e) shall stop using the Confidential Information immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (a) Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (b) Franchisee's directors, officers, employees and agents where disclosure of the Confidential Information was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

6.D. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND IN-TERM NON-COMPETITION OBLIGATIONS

Franchisee agrees that during the Term of this Agreement, Franchisee shall not engage in the following activities (the "Prohibited Activities"): (a) owning and/or having any legal or equitable interest whether, as an individual proprietor, owner, partner, member or shareholder of a Corporate Entity, or, in any similar capacity, in a Competitive Business other than, owning an interest of 3% or less in a publicly traded company that is a Competitive Business; (b) operating, managing, funding and/or performing services whether, as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or, in any similar capacity, for or benefitting a Competitive Business; (c) diverting or attempting to divert any business or customers from Franchisor or, one of Franchisor's affiliates or franchisees; (d) inducing any customer or client of Franchisor, Franchisor's affiliates, franchisees of the System, or, of Franchisee, to any other person or business that is not a Playa Bowls Shop; and/or (e) engaging in any actions, inactions, and/or activities in violation of Articles 6.B. and/or 6.C. of this Agreement (all, individually and, collectively, referred to as the "Prohibited Activities"). Franchisee agrees that if Franchisee were to engage in the Prohibited Activities that such actions would be unfair, would constitute unfair competition and, would cause harm to Franchisor, the System and other Playa Bowls Shop franchisees. Franchisee agrees that the

foregoing covenants and obligations shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

6.E. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND POST-TERMINATION NON-COMPETITION OBLIGATIONS

Franchisee agrees that during the Post-Term Restricted Period, Franchisee shall not engage in any Prohibited Activities provided, however, that the Prohibited Activities relating to Franchisee having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within a Restricted Territory. If Franchisee is engaged in any Prohibited Activities during the Post-Term Restricted Period, Franchisee agrees that Franchisee's Post-Term Restricted Period will be extended by the period of time during which Franchisee was engaging in the Prohibited Activity and, any such extension of time will not be construed as a waiver of Franchisee's breach or otherwise impair any of Franchisor's rights or remedies relating to Franchisee's breach. Franchisee agrees that the foregoing covenants and restrictions shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1. Franchisee agrees that the covenants and restrictions set forth in this Article 6.E, and, otherwise in this Article 6, are fair and reasonable and, that if Franchisee engaged in any Prohibited Activity that such actions would constitute acts of unfair competition, causing irreparable harm to Franchisor and the System.

6.F. IMMEDIATE FAMILY MEMBERS

Franchisee agrees that should Franchisee circumvent the restrictive covenants and obligations of this Article 6 by disclosing Confidential Information to an Immediate Family Member that Franchisor, and the System, will be irreparably harmed. Franchisee agrees that if Franchisee or, one of Franchisee's Owners, discloses Confidential Information to an immediate family member and, the immediate family member of Franchisee or an Owner, uses the Confidential Information to engage in activities that, for Franchisee, qualify as Prohibited Activities, that Franchisor and the System will be irreparably harmed. Franchisee agrees that as between Franchisee and Franchisor, that Franchisee and Franchisee's Owners are in a better position to know if Franchisee permitted and/or provided an immediate family member with access to the Confidential Information and that, therefore, Franchisee agrees that Franchisee will be presumed to have violated the terms of this Agreement and, in particular, the restrictive covenants and obligations set forth in this Article 6 if any member of Franchisee's immediate family or the immediate family of an Owner: (a) engages in any Prohibited Activities during any period of time during which Franchisee is prohibited from engaging in the Prohibited Activities; and/or (b) uses or discloses the Confidential Information and/or Know-How. Franchisee may rebut the foregoing presumption by providing evidence conclusively demonstrating that neither Franchisee nor Franchisee's Owners disclosed the Confidential Information and, did not permit disclosure of the Confidential Information to the family member of Franchisee or Franchisee's Owner. Franchisee agrees that the foregoing covenants, obligations, representations, and burden of proof shall also apply to Franchisee's Owners and Spouses and, that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

6.G. REASONABLENESS OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee agrees that: (a) the terms of this Article 6 are reasonable both in time and in scope of geographic area; and (b) Franchisee has sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Article 6. **Franchisee hereby waives any right to challenge the terms of this Article 6 as being overly broad, unreasonable or otherwise unenforceable.** Although Franchisee and Franchisor both believe that the restrictive covenants and obligations of this Article 6 to be reasonable in terms of scope, duration and geographic area, Franchisor may at any time unilaterally modify the terms of this Article 6 (provided that such modification is in writing and signed by

Franchisor) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Post-Term Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon Franchisee under this Article 6 to ensure that the terms and covenants are enforceable under applicable law.

6.H. BREACH OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee agrees that Franchisee's failure and/or Franchisee's Owner(s) failure to comply with the restrictive covenants and obligations set forth in this Article 6 will cause irreparable harm to Franchisor and/or other Playa Bowls Shop franchisees for which there is no adequate remedy at law. Franchisee agrees that any violation of these Article 6 covenants and obligations by either Franchisee and/or any Owner(s) will entitle Franchisor to injunctive relief. Franchisee agrees that Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the Franchisee and Franchisor agree that the amount of the bond shall not exceed \$1,000. Franchisor's remedies under this Article 6.H. are not exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

6.I. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS, AND INFORMATION

Franchisee agrees that with regard to the Franchised Business all customer lists and their contents and information represent Confidential Information and constitute an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term of this Agreement and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, recipes, methods, and products conceived or developed by Franchisee and Franchisee's affiliates, Owners, agents, and employees relating to the development and operation of Playa Bowls Shops. Franchisee hereby assigns to Franchisor and Franchisee agrees to procure from Franchisee's Owners, affiliates, and employees assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 6.I. Franchisor shall have no obligation to make any lump sum or on-going payments to Franchisee or Franchisee's Owners, affiliates, or employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee will not use, nor will Franchisee allow any other person or entity to use any such concept, method or product without obtaining Franchisor's prior written approval.

ARTICLE 7 **OPERATING STANDARDS**

7.A. OPERATIONS, MAINTENANCE, AND APPEARANCE

At all times, Franchisee and the Franchised Business shall: (a) exclusively offer and sell the Approved Products and Services as designated by Franchisor in the Operations Manual and/or as otherwise designated by Franchisor in writing and as may be modified by Franchisor from time to time; (b) exclusively operate the Shop in accordance with the standards, specifications, and operational requirements as designated by Franchisor in this Agreement, the Operations Manual, and/or as otherwise designated by Franchisor in writing and as may be modified by Franchisor from time to time; (c) exclusively purchase and use the System Supplies as designated by Franchisor in the Operations Manual and as may be modified by Franchisor from time to time; (d) maintain a complete and updated inventory and supply of System Supplies as designated by Franchisor in the Operations Manual and as may be modified by Franchisor from time to time; (e) maintain Franchisee's Shop Facility in a clean, sanitary, functional and well maintained condition and in compliance with all federal, state, and local laws, rules, regulations, and ordinances; (f) maintain, Franchisee's Shop Facility, equipment, furniture, and fixtures as designated by Franchisor in the Operations

Manual and/or as otherwise designated by Franchisor in writing and, as may be modified by Franchisor from time to time; (g) take all requested corrective measures and actions designated and/or requested, in writing, by Franchisor and/or Franchisor's agents following on-site inspections, reviews, and/or assessments, including secret shopper programs and other announced or unannounced; and (h) maintain and satisfy, as ongoing and continuing obligations, all operational requirements set forth in this Agreement including, but not limited to, Articles 3.D. and 3.E. of this Agreement.

7.B. UPDATING AND UPGRADING

Upon written request of Franchisor, Franchisee must, as specified by Franchisor, update, remodel, redecorate, upgrade, add to, and improve Franchisee's Shop, Shop Facility, equipment, furniture, and fixtures in compliance with and satisfaction of Franchisor's then current standards and specifications as designated and determined by Franchisor in Franchisor's Reasonable Business Judgment. Franchisee agrees to make such improvements, additions, and/or modifications in accordance with the instruction of Franchisor. Franchisor will not require, pursuant to this Article 7.B., such updates, remodeling and/or redecorating more frequently than every four years during the term of this Agreement, except that if the Shop is transferred pursuant to Article 14, Franchisor may request that the transferee update, remodel redecorate, upgrade, add to, and improve the Shop as described in this Article 7.B.

7.C. FRANCHISOR ENTRY FOR UPDATES, UPGRADES, AND APPEARANCE REQUIREMENTS

If Franchisee fails or refuses to initiate within 30 days after Franchisor's request, and/or fails to continue in good faith and with due diligence, any required improvement, modification, refurbishment, renovation, and/or remodel of Franchisee's Shop, then Franchisor has the right, but is not obligated, to enter upon Franchisee's Shop Facility and Franchisee's Shop Location and effect such improvement, modification, refurbishment, renovation, and/or remodel on Franchisee's behalf, and Franchisee must pay the entire cost to Franchisor on demand.

7.D. DAMAGE CAUSED BY CASUALTY

If Franchisee's Shop is damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than two months after such casualty, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue until completion of the repairs or reconstruction, to restore the premises of the Franchised Business and Franchisee's Shop Facility to its original condition before casualty and otherwise in compliance with Franchisor's standards and specifications.

7.E. ALTERATIONS

Franchisee shall not make any material alterations to Franchisee's Shop Facility without Franchisor's prior written consent. Franchisee shall not replace or make any unapproved replacements of or material alterations to the fixtures, equipment, furniture, designs or signs, comprising or being a part of Franchisee's Shop Facility. Franchisor has the right, in its sole discretion and at the sole expense of Franchisee, to rectify any material alterations to Franchisee's Shop Facility not previously approved by Franchisor or contrary to the specifications and standards of Franchisor as contained in the Operations Manual or otherwise set forth by Franchisor. Franchisor will provide written notice to Franchisee before Franchisor makes the correction, if Franchisor elects to do so.

7.F. BRAND STANDARDS AND FRANCHISOR DESIGNATED REQUIREMENTS

Franchisee shall develop and operate the Franchised Business in strict conformity with the methods, standards, specifications, procedures, and operational requirements as, designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment, and as set forth in the Operations Manual, as prescribed by Franchisor in writing, and, as Franchisor, in Franchisor's Reasonable Business Judgment, may supplement, modify, and amend from time to time. Supplementing, and without limitation to the foregoing, Franchisee, agrees that the foregoing standards, specifications, procedures, and operational

requirements shall relate and include, among other things, the Approved Products and Services, the System Supplies, System standards and service requirements as designated by Franchisor, authorized and mandatory inventory levels and inventory items, authorized and mandatory supplies and inventory supply levels, designated suppliers, standards related to brand uniformity including, brand standards regarding uniforms, marketing materials, marketing media, the appearance and operations of the Franchised Business, customer service and satisfaction standards including, customer rewards programs, refund policies, gift card policies, special promotions and other customer incentive and goodwill programs, brand standards and brand standard requirements as to employee knowledge and implementation of System brand standards but, not related to employment or joint employment policies, secret shopper programs, Franchisor designated secret quality control inspections, payment processing systems, Franchisor access to Business Management Systems, and, the overall operations of the Franchised Business.

7.G. APPROVED SERVICES, PRODUCTS, EQUIPMENT AND SUPPLIERS

Franchisee agrees that, among other things, the products and services to be offered and sold by the Franchised Business, the ingredients, supplies, suppliers and equipment utilized by the Franchised Business, the methods for monitoring customer satisfaction and, the methods for marketing and promoting the Franchised Business must conform to Franchisor's System standards and specifications as determined by Franchisor, in Franchisor's Reasonable Business Judgment, and, as designated by Franchisor in the Operations Manual and, as modified by Franchisor from time to time. Without limitation to the foregoing, Franchisee agrees that:

(1) The Franchised Business shall exclusively offer and sell the Approved Products and Services, as designated and determined by Franchisor from time to time and in Franchisor's Reasonable Business Judgment, for on-premises dining and consumption at Franchisee's Shop Location, in-person carryout from Franchisee's Shop Location, delivery within Franchisee's Designated Territory, and catering to customers located within Franchisee's Designated Territory.

(2) The Franchised Business shall exclusively: (a) offer and serve the Approved Products and Services; (b) prepare and serve the Approved Products and Services in accordance with the System's standards and specifications; (c) exclusively purchase and use System Supplies purchased from Franchisor or Franchisor's designated suppliers; (d) exclusively purchase and utilize equipment, supplies, promotional materials, point of sale systems and Business Management Systems designated by Franchisor and subject to Franchisor's specifications; (e) purchase interior displays, point of sale displays, uniforms, supplies, marketing materials and promotional materials including, but not limited to, System Supplies, as designated by Franchisor and only from Franchisor or Franchisor's approved supplier(s); and (f) purchase from distributors and other suppliers approved by Franchisor all other materials, ingredients, goods, and supplies including, but not limited to, System Supplies, used in preparing, offering, selling, promoting, and serving the Approved Products and Services.

(3) Franchisor has and will periodically approve suppliers and distributors of the equipment, materials, supplies and products including, but not limited to, System Supplies, that meet Franchisor's standards, specifications, and requirements including, without limitation, standards, specifications, and requirements relating to the equipment and supplies to be used by the Franchised Business.

(4) Franchisor, in Franchisor's Reasonable Business Judgment, may from time to time modify the list of approved brands, suppliers and distributors of System Supplies and approved equipment, supplies and services to be utilized by the Franchised Business and Franchisee shall, after receipt in writing of such modification, not reorder any brand and/or purchase from any supplier or distributor that is no longer designated or approved by Franchisor.

(5) Franchisor reserves the right to designate from time to time a single supplier and/or distributor for any services, products, equipment, supplies, or materials including, but not limited to, the System Supplies and to require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier and/or distributor may be Franchisor and/or Franchisor's affiliates. Franchisor and its affiliates may receive payments from suppliers and/or distributors on account of such supplier's or distributor's dealings with Franchisee and other franchisees and Franchisor may use all amounts so received without restriction and, for any purpose, including Franchisor's profit.

(6) If Franchisee proposes or requests that Franchisor consider the approval of products, services, equipment, supplies, suppliers and/or distributors for use in the Franchised Business where such products, services, equipment, supplies, suppliers and/or distributors are not presently, at the time of Franchisee's request, approved for use in the System: (a) Franchisee must provide Franchisor with a written request where Franchisee specifies the product, service, equipment, supply, supplier and/or distributor, the reason for Franchisee's request; (b) shall timely submit to Franchisor such information, reports, specifications, and samples as Franchisor, in Franchisor's Reasonable Business Judgment requests; and (c) shall pay to Franchisor a Supplier Evaluation Fee per requested product, service, equipment, supply, supplier and/or distributor to be considered including, but not limited to, the Supplier Evaluation Fees that Franchisor, in Franchisor's Reasonable Business Judgment, establishes and assesses based on, among other things, the administrative costs and time associated with evaluating, assessing and testing the proposed product, service, equipment, supply, supplier and/or distributor including, but not limited to Franchisor's internal employees and independent third parties engaged and/or retained by Franchisor for evaluation and testing. The foregoing fees and payments shall be paid by Franchisee to Franchisor within 14 days of the date of Franchisor's invoice. Upon Franchisee's compliance with the foregoing, within 60 days of the completion of all inspections and evaluations, Franchisor shall notify Franchisee of Franchisor's approval or disapproval which shall be determined by Franchisor in Franchisor's Reasonable Business Judgment. Under no circumstance shall the foregoing be construed as implying that Franchisor is required to approve alternative suppliers.

7.H. MARKET RESEARCH AND TESTING

Franchisor may conduct market research and testing to evaluate, modify, test and/or sample the services, products, equipment and supplies authorized by Franchisor and to determine consumer trends and the viability of certain services and products. Franchisee agrees to participate in Franchisor's market research programs that may be conducted by Franchisor in its discretion, by test marketing services and/or products from the Franchised Business. Franchisee agrees to provide Franchisor with timely reports and other relevant information regarding such market research. Franchisee agrees to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services.

7.I. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

(1) Franchisee shall secure and maintain in full force all required licenses, permits and certificates relating to the operation of the Franchised Business, and Franchisee must operate the Franchised Business in full compliance with all applicable laws, ordinances, codes and regulations.

(2) Franchisee shall, at all times, investigate, review, and comply with all laws applicable to the operation of the Franchised Business, including, without limitation, all labor laws and obligations, wage and hour laws and obligations, employer practices laws and obligations, labor department rules and regulations, workers compensation and unemployment laws and rules, insurance obligations, and health and safety laws, rules and obligations.

(3) Franchisee shall, at all times, investigate, review, and comply with all laws, rules, and regulations related to all laws, rules, and regulations related to customer and employee privacy obligations and protections and, all laws, rules, and regulations, related to the privacy and protection of customer and employee information and data and, all laws, rules, and regulations related to customer and employee solicitations.

(4) Franchisee must immediately notify Franchisor in writing of any of the following concerning Franchisee, the Franchised Business, Franchisee's Shop Location and/or Franchisee's Shop Facility: (a) any cause of action, claim, lawsuit, proceeding, and investigation; (b) issuance of any order, writ, injunction, award, and/or decree by any court, agency, or other governmental entity; and (c) any notice of violation of any law, ordinance, code, permit, or regulation.

(5) Franchisee shall, at all times, ensure that all advertising and promotion of the Franchised Business by Franchisee is completely factual and, conforms to the highest standards of ethical advertising, and is in conformity with Franchisor's standards and specifications. Franchisee shall refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, Playa Bowls Shops, and the Licensed Marks. Franchisor, in Franchisor's sole discretion, shall possess, among other things, the unilateral right to reject any and all advertising relating to the Franchised Business, Franchisor, the System, Playa Bowls Shops and/or using the Licensed Marks.

(6) Franchisee and Owners agree to comply with, and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and each Owner certify, represent, and warrant that Franchisee's or any Owner's property or interests is not subject to being "blocked" under any of the Anti-Terrorism Laws, and Franchisee and each Owner are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee further certifies that Franchisee and each Owner are not listed on the Annex to Executive Order 13244 (the Annex is available at <http://www.treasury.gov>) and will not become so listed, hire any person so listed, or have dealings with any person so listed. Franchisee agrees to immediately notify Franchisor if Franchisee or any Owner become so listed. "Anti-Terrorism Laws" refers to and means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing, or in any way relating to, terrorist acts and acts of war. If Franchisee, an Owner, or Franchisee's employees violate any of the Anti-Terrorism Laws and/or become listed on the Annex to Executive Order 13244, then Franchisor may terminate this Agreement immediately without prior notice to Franchisee.

In connection with Franchisee's compliance with the terms of this Article 7.I., if Franchisee discovers, learns of, and/or becomes aware of any conflict and/or discrepancy between Franchisee's obligations under this Article 7.I. with Franchisor's standards and/or specifications as contained in this Agreement, in the Operations Manual, and/or as otherwise designated by Franchisor from time to time, Franchisee shall immediately notify Franchisor in writing of such discrepancy. In the event of any conflict or ambiguity, Franchisor's determination and/or resolution made by Franchisor, in writing, and, specifically with regard to the presented conflict or ambiguity, shall be determinative as between Franchisor and Franchisee and the operations of the Franchised Business.

7.J. MANAGEMENT OF SHOP

(1) Franchisee agrees that critical to the success of the Franchised Business is the active, continuing and substantial personal involvement and hands-on supervision of Franchisee's Managing Owner. At all times, Franchisee's Playa Bowls Shop must be under the active, continuing and substantial personal involvement and hands-on supervision of Franchisee's Managing Owner. The Managing Owner must

at all times be actively involved in the operation of the Franchised Business unless Franchisee delegates management functions to an authorized Operating Manager who, among other things, satisfactorily completed Franchisor's Training Program and has otherwise meet the criteria and conditions for qualification as an Operating Manager. If the Operating Manager is a family member of Franchisee and/or an Owner then the Operating Manager must also sign and agree to be bound by the terms of the Owner and Spouse Agreement and Guaranty.

(2) Franchisee must, at all times, faithfully, honestly and diligently perform its obligations hereunder, and continuously exert its best efforts to promote and enhance the business of the Franchised Business and the goodwill of the Licensed Marks.

(3) If, at any time, the Franchised Business is not being managed by a Managing Owner or Operating Manager who satisfactorily completed the Training Program, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of its obligations or constitute a waiver of Franchisor's right to terminate the Franchise pursuant to Article 16. Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business while it is managed by Franchisor's appointed manager. Franchisor has the right to charge 10% of Gross Sales plus fees and expenses, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, for management services (the "Management Service Fees"). Any determination as to whether or not Franchisor may elect to provide management services, if any, and the extent of such services, and/or the discontinuation thereof, shall be exclusively determined by Franchisor in Franchisor's Reasonable Business Judgment. The Management Service Fee shall be immediately payable upon invoice by us.

(4) Franchisee will at all times maintain sufficient working capital to fulfill its obligations under this Agreement.

7.K. REMEDIES FOR NON-COMPLIANCE WITH OPERATIONAL STANDARDS

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 7 (an "Operations Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor an operations non-compliance fee (the "Operations Non-Compliance Fee") in the amount of: (a) \$1,000 for each and every instance / event related to an Operations Violation involving the sale of services and/or products that are not Approved Products and Services; (b) \$1,000 for each and every instance / event related to an Operations Violation involving the failure to exclusively use System Supplies, and/or Franchisor designated suppliers; and (c) \$450 for all other Operations Violation. Additionally, in each of the foregoing instances, within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor all costs and expenses incurred by Franchisor in connection with any inspections, audits, and/or re-inspections directed and/or undertaken by Franchisor for the purpose, as determined by Franchisor in Franchisor's Reasonable Business Judgment, of determining whether or not Franchisee's Operations Violation has been cured in accordance with Franchisor's standards and specifications. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Operations Violations. Nothing contained in this Article 7.K. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

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ARTICLE 8 **INSURANCE**

Franchisee must procure and maintain in full force at all times during the Term of this Agreement, at Franchisee's sole expense, on a primary rather than a participatory basis with Franchisor, an insurance policy or policies protecting Franchisee as named insured and naming, as additional insureds, Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisor against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Franchised Business. The policy or policies must be written by a responsible carrier or carriers with an AM Best Rating of at least A-, VII and reasonably acceptable to Franchisor.

The currently required insurance policies, insurance coverage requirements, and insurance coverage amounts are designated and set forth in the Operations Manual. Franchisor may, in Franchisor's Reasonable Business Judgment, periodically change the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Notwithstanding the immediately foregoing sentence, Franchisor shall not increase such minimum coverage more than once every two years. All public liability and property damages policies must contain a provision that Franchisor is entitled to recover under these policies on any loss occasioned to Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees of Franchisor by reason of the negligence of Franchisee and/or Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees.

By the earlier of 90 days after the Effective Date or prior to the commencement of the Training Program, Franchisee must deliver, or cause to be delivered, to Franchisor a copy of the certificates of insurance demonstrating Franchisee's compliance with this Article 8. All insurance policies required must expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of a material alteration to, or cancellation of, any insurance policy Franchisee is required to maintain in accordance with this Agreement.

In the event Franchisee fails, for any reason, to procure or maintain the insurance required by this Agreement, then Franchisor has the right and authority (but not the obligation) to immediately procure insurance and charge all costs, fees, and expenses associated with same to Franchisee, which such charges, together with a 20% administrative fee for Franchisor's expenses in so acting, shall be immediately payable by Franchisee to Franchisor upon demand. The foregoing remedies are in addition to any other remedies Franchisor may have under this Agreement, at law, or in equity.

ARTICLE 9 **BRAND DEVELOPMENT AND MARKETING**

Franchisor is not required to conduct any marketing on behalf of Franchisee or the System.

9.A. NATIONAL MARKETING FUND

At all times during the Term of this Agreement, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor may institute, implement, maintain, delegate and administer a national marketing fund (the "National Marketing Fund"). The following shall apply to the National Marketing Fund at all times throughout the Term:

(1) Franchisee shall pay, on the Due Date, a mandatory and continuing fee to the National Marketing Fund in an amount equal to a percentage of Gross Sales (as determined and designated by Franchisor in Franchisor's Reasonable Business Judgment) for each monthly Accounting Period (the "National Marketing Fund Fee"), provided, however, Franchisee will not be required to contribute more than 3% of the Gross Sales of the Franchised Business for each monthly Accounting Period;

(2) Franchisor will provide Franchisee with written notice of the percentage of Gross Sales that Franchisee is required to contribute to the National Marketing Fund. Upon such written notice to Franchisee, the percentage of Gross Sales to be paid by Franchisee to the National Marketing Fund will be applicable for each and every monthly Accounting Period thereafter during the Term until otherwise designated by Franchisor in writing. The National Marketing Fund Fee shall be paid to Franchisor on the Due Date and in accordance with the payment terms and method set forth in Article 5.B. for the payment of Royalty Fees;

(3) Franchisor, in Franchisor's Reasonable Business Judgment, shall direct all advertising, media placement, marketing and public relations programs and activities financed by the National Marketing Fund, with sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the National Marketing Fund, and the geographic, market, and media placement and allocation thereof. Without limiting the foregoing, the National Marketing Fund may also be utilized for evaluation and monitoring of the Business Management Systems, maintenance and upgrades to the System Website, and development of Digital Media;

(4) Franchisee agrees that the purpose of the advertising, media, marketing and activities financed by the National Marketing Fund is and shall be for the general enhancement of the System brand as associated with the Licensed Marks and general public brand recognition and awareness of the Licensed Marks. The National Marketing Fund will not be utilized to directly or indirectly market or promote the Franchised Business or, unless otherwise directed by Franchisor, in Franchisor's Reasonable Business Judgment, pay for media placements that may benefit or include any media market that includes Franchisee's Shop Location or Designated Territory;

(5) Franchisee agrees that the National Marketing Fund may be used to pay various costs and expenses of Franchisor for such reasonable salaries, wages, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration, activities and/or the brand awareness goals of the National Marketing Fund including expenses incurred by Franchisor for advertising, advertising councils, franchisee advisory councils, marketing, product and service testing, product and service development, maintenance, evaluation and monitoring of the Business Management Systems, upgrades to the System Website, development of Digital Media and creative development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor, provided, however, that salary expenses for Franchisor's personnel paid by the National Marketing Fund shall be commensurate with the amount of that time spent by such personnel on National Marketing Fund matters. Franchisor shall not use contributions to the National Marketing Fund to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and activities of the National Marketing Fund and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the National Marketing Fund. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all Playa Bowls Shops to the National Marketing Fund in that year;

(6) Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the National Marketing Fund;

(7) Playa Bowls Shops owned by Franchisor or Franchisor's affiliates are not required to pay any National Marketing Fund Fee or contribute to or make any contribution to the National Marketing Fund;

(8) Franchisee and Franchisor acknowledge and agree that (a) the National Marketing Fund is not a trust, (b) Franchisor is not a trustee or fiduciary of the National Marketing Fund, and (c) Franchisor may deposit and maintain any and all funds of the National Marketing Fund Fee in Franchisor's general accounts. National Marketing Fund Fees are not required to be segregated from other assets or accounts of Franchisor. The National Marketing Fund is not required to expend National Marketing Fund Fees in the year that they are collected and the National Marketing Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the National Marketing Fund, and Franchisor may cause the National Marketing Fund to invest any surplus for future use by the National Marketing Fund. All interest earned on monies contributed to the National Marketing Fund will be used to pay costs of the National Marketing Fund before other assets of the National Marketing Fund are expended. A summary statement of monies collected and costs incurred by the National Marketing Fund for Franchisor's immediately preceding fiscal year shall be made available to Franchisee upon Franchisee's written request. Franchisor will have the right to cause the National Marketing Fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of Franchisor pursuant to this Article 9.A.(8);

(9) Although Franchisor will endeavor to utilize the National Marketing Fund to develop advertising and marketing materials and programs, Franchisor undertakes no obligation to ensure that expenditures by the National Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the National Marketing Fund by Playa Bowls Shops operating in that geographic area or that any Playa Bowls Shops will benefit directly or in proportion to its contribution to the National Marketing Fund from the development of advertising and marketing materials. Franchisor may use the National Marketing Fund to promote or benefit any type of Playa Bowls Shops in the System. Franchisor may use the National Marketing Fund to promote or benefit Playa Bowls Shops located within a particular region of the United States. Franchisee agrees that Franchisee's failure to derive any such benefit will not serve as a basis for a reduction or elimination of its obligation to contribute to the National Marketing Fund. Franchisee agrees that the failure (whether with or without Franchisor's permission) of any other franchisee to make the appropriate amount of contributions to the National Marketing Fund shall not in any way release Franchisee from or reduce Franchisee's obligations under this Article 9, such obligations being separate and independent obligations of Franchisee under this Agreement. Except as expressly provided in this Article 9, Franchisor assumes no direct or indirect liability, responsibility, or obligation to Franchisee with respect to the maintenance, direction, and/or administration of the National Marketing Fund; and

(10) Franchisor, in Franchisor's Reasonable Business Judgment, may establish a council to provide guidance respecting the administration of the National Marketing Fund and marketing matters concerning the National Marketing Fund. The council shall only serve in an advisory capacity and Franchisor shall select members of the council which may be comprised of employees of Franchisor, Franchisor, franchisees of the System and third parties.

9.B. LOCAL MARKETING

On-going, and on a monthly basis, Franchisee must spend not less than 1% of Franchisee's monthly Gross Sales on the local marketing of the Franchised Business within and targeted to Franchisee's Designated Territory. On or before the 5th day of each month or, such other dates as specified by Franchisor, Franchisee

shall provide Franchisor with an accurate accounting of Franchisee's local marketing expenditures, placements, activities, and metrics for the preceding monthly period or other periods as designated by Franchisor. At the request of Franchisor, Franchisee shall provide Franchisor with on-going access to any and all data and systems that record and/or report information related to Franchisee's local marketing activities and expenditures and provide Franchisor such other periodic reports and records as requested by Franchisor.

If the Franchisee's expenditures in any month and/or monthly periods designated and selected by Franchisor, do not, in aggregate, equal or exceed 1% of Franchisee's Gross Sales for the respective monthly period then Franchisor, in Franchisor's discretion and Reasonable Business Judgment, may require that the deficiency be added as additional local marketing expenditures, over and above 1% of Franchisee's Gross Sales, that Franchisee must spend within the immediately succeeding monthly period or periods, as directed by Franchisor, or, at Franchisor's discretion, be contributed to a National Marketing Fund. All marketing of the Franchised Business by Franchisee must be pre-approved, in writing by Franchisor.

Franchisor reserves the right to reject any and all marketing efforts requested by Franchisee and to prescribe all marketing, marketing media, marketing channels, promotions, copy, creative, and messaging that Franchisee may or may not use in Franchisee's marketing of the Franchised Business. Franchisee further agrees that:

- (1) In addition to calendar year quarterly reports, Franchisee shall provide Franchisor with monthly reports documenting Franchisee's marketing initiatives, expenses incurred, placements secured, and other metrics and financial information as designated by Franchisor;
- (2) Prior to opening the Franchised Business, Franchisee shall submit to Franchisor, Franchisee's grand opening marketing plan for review and approval by Franchisor. Franchisee shall use only those portions of its grand opening marketing that are pre-approved by Franchisor and consistent with Franchisor's standards and specifications. Not less than 30 days prior to the opening of the Franchised Business, and continuing for 60 days following the opening of the Franchised Business, Franchisee shall spend not less than \$10,000 to market and promote the grand opening of the Franchised Business in accordance with Franchisor's standards and specifications;
- (3) At all times, Franchisee's marketing efforts and the distribution of each marketing channel and media engaged by Franchisee must be directly targeted to Franchisee's Designated Territory. Franchisee shall not direct or target Franchisee's marketing efforts with the purpose or effect of soliciting or attracting customers outside of Franchisee's Designated Territory. To the extent that Franchisee's marketing efforts involve a marketing medium or distribution channel that is targeted to Franchisee's Designated Territory but reaches outside of and beyond Franchisee's Designated Territory Franchisor, in Franchisor's Reasonable Business Judgment, shall have the right to direct and require Franchisee to discontinue such marketing; and
- (4) At all times, Franchisee hereby grants to Franchisor the right, without compensation to Franchisee, to use Franchisee's name, address, photograph, and biographical information in any publication related to the System, Franchisee's operation of the Franchised Business, or Franchisor's sale of Playa Bowls Shop franchises.

9.C. REQUIRED FRANCHISOR APPROVAL OF ALL MARKETING

All marketing and promotion of the Franchised Business and all marketing media, campaigns, marketing channels, and efforts used by Franchisee must conform to Franchisor's standards and specifications as set forth in the Operations Manual or, as may be otherwise directed by Franchisor in writing from time to time.

If Franchisee wishes to propose to Franchisor for approval or disapproval marketing or promotional efforts, campaigns, and/or media that are not presently and expressly approved and authorized by Franchisor, Franchisee shall submit a written request, including samples of all proposed marketing materials and a description of the marketing channels and distribution to Franchisor for Franchisor's approval or disapproval, that shall be at the sole discretion of Franchisor, in Franchisor's Reasonable Business Judgment. Provided that Franchisee has satisfied the written notice requirements set forth in this Article 9.C. and provided that Franchisee otherwise timely responds in writing to any and all requests by Franchisor for additional information, if Franchisor does not notify Franchisee that Franchisor disapproves the materials within 15 days from the date Franchisor receives the materials, then Franchisee may commence using the materials. However, Franchisor may still disapprove such materials by notice to Franchisee, and Franchisee must then cease using such materials upon receipt of such notice. Franchisee must not use any advertising or promotional materials that Franchisor has disapproved.

9.D. WAIVERS OR DEFERRALS

On written request from Franchisee with reasons supporting such request, Franchisor may, at Franchisor's sole discretion and on conditions Franchisor deems appropriate, temporarily waive, or defer the obligations of Franchisee under the National Marketing Fund and/or, if applicable, Advertising Cooperative. In no event shall such waiver or deferral extend beyond six months. However, at the end of any waiver or deferral period, Franchisee may resubmit a request for waiver or deferral of its obligations under the National Marketing Fund and/or, if applicable, Advertising Cooperative. Under no circumstance shall Franchisor be under any obligation to grant any waiver of deferral. Franchisor may reject Franchisee's request for a waiver or deferral based on any reason or no reason at all and nevertheless grant the request of another system franchisee.

9.E. DIGITAL MEDIA AND WEBSITE PROHIBITIONS

Franchisee's use of Digital Media shall be subject to and require Franchisor's express written consent which shall and may be withheld by Franchisor for any or no reason at all. Without limitation to the foregoing, Franchisee possesses no right or authority to utilize Digital Media and Franchisee agrees that Franchisor reserves all rights respecting the marketing, sale and distribution of Approved Products and Services through Digital Media. Franchisee agrees that all Digital Media and Digital Media accounts associated with and/or relating to the Franchised Business and/or the System shall, upon demand of Franchisor, be transferred to Franchisor. Upon execution of this Agreement and any and all future dates demanded by Franchisor, Franchisee shall execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts Agreement attached to this Agreement as Exhibit 6. Franchisee agree that the foregoing shall not be interpreted or construed as permitting Franchisee to establish, designate, utilize and/or otherwise establish accounts as to Digital Media respecting and/or concerning the Franchised Business and/or the System.

9.F. ADVERTISING COOPERATIVE

At all times Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that Franchisor designates (the "Advertising Cooperative"). Franchisee agrees that Franchisor possesses the sole and exclusive right to designate any geographic area in which two or more Shop franchises are located as a region for the purpose of establishing an Advertising Cooperative. If Franchisee's Shop or Designated Territory is located within the geographic area of an Advertising Cooperative, franchisee must participate in and contribute to the Advertising Cooperative. Franchisee agrees to the following:

- (1) If Franchisor previously instituted or, in the future, institutes an Advertising Cooperative that includes, in whole or in part, Franchisee's Designated Territory or Franchisee's Shop Location, Franchisee shall participate in and make such on-going financial contributions to the Advertising Cooperative, as determined by the Advertising Cooperative;

(2) Franchisor may establish foundational and organizational requirements of the Advertising Cooperative including voting provisions that allows the Advertising Cooperative to make decisions based on the simple majority vote (one vote per franchisee Shop located within the designated area of the Advertising Cooperative) with a quorum constituting 25% of those franchisees within the Advertising Cooperative;

(3) Unless otherwise authorized and approved by Franchisor in writing, each Advertising Cooperative shall be organized for the exclusive purpose of administering marketing programs and the development of media (all subject to the review and approval of Franchisor) for use by members of the Advertising Cooperative in local or regional marketing;

(4) If at the time of execution of this Agreement an Advertising Cooperative has been established for a geographic area that includes, in whole or in part, Franchisee's Shop location or Designated Territory, or if such Advertising Cooperative is established during the Term of this Agreement, Franchisee shall fully participate in the Advertising Cooperative and Franchisee shall execute, at the request of Franchisor, all documents required by Franchisor and Franchisee shall become a member of the Advertising Cooperative subject to the terms of those documents;

(5) Franchisee shall contribute to the Advertising Cooperative in the amounts as determined and required by the Advertising Cooperative or, otherwise in accordance with those documents governing the operation of the Advertising Cooperative; provided, however, Franchisee's contributions to the Advertising Cooperative shall not exceed Franchisee's local minimum marketing obligations set forth in Article 9.B. of this Agreement and Franchisee's contributions to the Advertising Cooperative shall count toward satisfaction of Franchisee's minimum local marketing obligations set forth in Article 9.B.;

(6) Franchisee shall submit to the Advertising Cooperative and to Franchisor such statements and reports as may be required by the Advertising Cooperative and approved by Franchisor. All contributions to the Advertising Cooperative shall be maintained and administered in accordance with the documents governing the Advertising Cooperative. The Advertising Cooperative shall be operated solely for the purpose of collection and expenditure of the Advertising Cooperative's fees for the purpose set forth in this Article 9.F.;

(7) No marketing materials, plans, or media may be used by the Advertising Cooperative or its members without the prior written approval of Franchisor;

(8) Shops owned by Franchisor and/or Franchisor's affiliates that are located within the geographic area of the designated Advertising Cooperative are not required to make contributions to the Advertising Cooperative; and

(9) The Advertising Cooperative must comply with the rules and regulations established by Franchisor in the Operations Manual which may be modified by Franchisor from time to time.

ARTICLE 10

RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

10.A. INDEPENDENT CONTRACTORS AND NO JOINT EMPLOYER RELATIONSHIP

This Agreement does not create a fiduciary relationship between Franchisor and Franchisee. Franchisor and Franchisee are independent contractors and nothing in this Agreement is intended to, nor shall it make either party an agent, legal representative, subsidiary, joint ventures, partner, or employee of the other for any purpose. The parties' relationship is strictly a Franchisor and Franchisee relationship. At all times

Franchisee, in accordance with Franchisor's brand standards, must conspicuously identify itself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of a Shop under a franchise from Franchisor, and Franchisee must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires. Franchisee shall not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation. Franchisee shall not employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness, action, inaction, or obligation of Franchisee. Franchisor and Franchisee shall not make any express or implied agreements, guaranties, or representations, or incur any debt, in the name, or on behalf, of the other. Franchisor and Franchisee shall not represent that their relationship is anything other than franchisor and franchisee. Franchisor and Franchisee shall not be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized. Franchisor shall not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, whether or not caused by Franchisee's negligent, willful act or failure to act. Franchisor shall have no liability for any sales, use, excise, gross receipts, property, or other taxes, whether levied upon Franchisee, the Franchised Business, or its assets, or upon Franchisor in connection with sales made, services performed, or business conducted by Franchisee.

At all times, Franchisee will be, is, and shall remain the sole and exclusive employer of all employees of the Franchised Business. Franchisor is not a joint employer, and nothing contained in this Agreement shall be interpreted as creating a joint employer relationship. Franchisee possesses the sole right to select, hire and discharge Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling, paying wages to, and withholding and paying taxes for all employees. Franchisee, each Owner, each Spouse, and Franchisee's officers, directors, manager, agents, representatives, independent contractors, and employees are not employees, representatives, or agents of Franchisor and shall never represent themselves as employees, representatives, or agents of Franchisor.

There is no joint employer relationship between Franchisor and Franchisee or Franchisee's employees. Franchisee's compliance with all federal, state, and local labor laws rules and regulations shall be exclusively determined and managed by Franchisee. To the extent that the Operations Manual and/or any other communications from Franchisor includes information, specifications, procedures, criteria and/or requirements as to employees of the Franchised Business, such requirements shall be interpreted, exclusively, for the purpose of maintaining brand standards associated with the System, to protect the good will associated with the System, and to ensure System uniformity requirements and standards concerning the Approved Products and Services, and under no circumstance shall same relate to the employer-employee relationship. As to the foregoing issue of joint employer and the non-existence thereof, in the event of any inconsistency or conflict between this Agreement and the Operations Manual, the terms of this Agreement shall take precedence and govern.

10.B. INDEMNIFICATION BY FRANCHISEE

Franchisee and each Owner shall indemnify, defend through counsel acceptable to Franchisor, and hold Franchisor, Franchisor's affiliates, and their respective officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisor Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigations, hearings, and/or damages arising out of, or relating to, Franchisee's Shop Facility, Franchisee's Shop Location, and/or the Franchised Business (including, without limitation, the ownership and operation of the Franchised Business), unless such loss, expense, claim, cause of action, lawsuit, liability, tax, cost, demand, proceeding, or damage is solely due to Franchisor's gross negligence, and Franchisee shall pay all of the Franchisor Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisor Indemnified Parties or any

such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisor Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses. At the expense and risk of Franchisee and each Owner, Franchisor may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, lawsuit, proceeding, claim, or demand. Such an election by Franchisor to assume its defense shall not diminish the obligation of Franchisee and each Owner to indemnify, defend and hold harmless Franchisor. Franchisee and each Owner acknowledge and agree that the terms of this Article 10.B. shall survive the termination, expiration or Transfer of this Agreement. Under no circumstances are the Franchisor Indemnified Parties required or obligated to seek recovery from third parties or otherwise mitigate their respective losses in order to maintain a claim against Franchisee or any Owner. Franchisee and each of the Owners agree that Franchisor's failure to pursue recovery or mitigate loss in no way reduces the amounts recoverable from Franchisee or any Owner.

10.C. INDEMNIFICATION BY FRANCHISOR

Franchisor shall indemnify, defend, and hold Franchisee and Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisee Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages solely arising out of, or solely relating to, Franchisor's gross negligence in the operation of Franchisee's Playa Bowls Shop that was the direct cause of any such loss, expense, liability or damage provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing, and Franchisor shall pay all of the Franchisee Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisee Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisee Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing. Franchisor agrees that the terms of this Article 10.C. shall survive the termination, expiration or Transfer of this Agreement.

ARTICLE 11 LICENSED MARKS, SYSTEM, AND INNOVATIONS

11.A. OWNERSHIP AND GOODWILL

Franchisee agrees that Franchisor is the owner of all right, title and interest in and to the Licensed Marks, the System, Digital Media, Published Content, and the goodwill associated with the Licensed Marks and the System. Except as otherwise specifically provided in this Agreement, Franchisee further agrees that Franchisee possesses no interest or right, whatsoever, in or to the Licensed Marks, the System, Digital Media, Published Content and the goodwill associated with the Licensed Marks and the System, and Franchisee's right to use the Licensed Marks and the System is derived solely from this Agreement. Any unauthorized use of the Licensed Marks and/or the System by Franchisee or any of Franchisee's affiliates shall constitute an infringement of the rights of Franchisor in and to the Licensed Marks and/or the System. Franchisee agrees that all usage of the Licensed Marks and/or the System by Franchisee, and all goodwill associated with the Licensed Marks and System, shall exclusively benefit Franchisor without granting any goodwill interests or rights to Franchisee except for Franchisee's non-exclusive interest and limited right to use the Licensed Marks and the System in the operation of the Franchised Business, subject to the terms and conditions of this Agreement. Franchisee shall not, at any time during the Term or after the expiration, termination or Transfer of this Agreement, contest the validity or ownership of the Licensed Marks, the System, Digital Media, Published Content, and/or the goodwill associated with the Licensed Marks and the

System, and at no time shall Franchisee assist any other person in contesting the validity or ownership of the Licensed Marks, the System, Digital Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System. Franchisee and each Owner shall not take any action that prejudices or interferes with the validity of Franchisor's rights with respect to Licensed Marks, the System, Digital Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System.

11.B. USE OF THE LICENSED MARKS

Franchisee agrees that the Licensed Marks shall be the sole identification of the Franchised Business. Franchisee must operate, advertise, and market the Franchised Business only under the Licensed Marks as designated and specified by Franchisor in Franchisor's Reasonable Business Judgment. Franchisee shall not use the Licensed Marks as part of its corporate or other legal name, and Franchisee shall not use the Licensed Marks with modifying words, terms, designs, or symbols, or in any modified form. Franchisee shall comply with Franchisor's instructions in filing and maintaining their requisite trade name or fictitious name registrations as may be required by applicable law.

11.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee must notify Franchisor immediately in writing of any apparent infringement of, or challenge to, Franchisee's use of any Licensed Mark and/or the System or of any claim by any person claiming any rights in any manner with respect to the Licensed Mark, the System, or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge, or claim by any third party to the Licensed Marks and/or the System. Franchisor and/or Franchisor's licensor shall possess sole and complete discretion, in Franchisor's Reasonable Business Judgment, to take any action and/or to refrain from taking action, Franchisor and/or Franchisor's licensor deems appropriate, including, without limitation, the right to exclusively control any litigation or administrative proceeding arising out of, or relating to, any infringement, challenge, claim or otherwise relating to any Licensed Mark and/or the System. Franchisee agrees to execute all documents, render assistance, and take all actions as may be necessary or advisable to protect and maintain the interests of Franchisor and/or Franchisor's licensor in any litigation or administrative proceeding or to otherwise protect and maintain, as directed by Franchisor, the interests of Franchisor and/or Franchisor's licensor in the Licensed Marks. Franchisor will reimburse Franchisee for reasonable direct expenses incurred by Franchisee in assisting Franchisor in any such litigation or administrative proceeding provided Franchisee timely notifies Franchisor of such litigation or administrative proceeding, and Franchisee complies with the written instructions of Franchisor respecting any such litigation or administrative proceeding.

11.D. DISCONTINUANCE OF USE OF LICENSED MARKS

Franchisee agrees that at any time should Franchisor determine, in Franchisor's sole discretion and based on Franchisor's Reasonable Business Judgment, that it is advisable for Franchisor, the System, and/or Franchisee to replace, modify, substitute, and/or discontinue use of any Licensed Marks, then Franchisee shall comply with Franchisor's determination and instructions as to the replacement, modification, substitution, and/or discontinuance of such Licensed Mark(s). Franchisee shall comply within the foregoing requirements within a reasonable time period after notice by Franchisor. If Franchisee is required to take action pursuant to instruction by Franchisor pursuant to this Article 11.D. or, if Franchisee is otherwise required to replace, modify, substitute, and/or discontinue use of any Licensed Marks, the sole liability and obligation of Franchisor to Franchisee shall be to reimburse Franchisee for the reasonable and direct costs incurred by Franchisee in complying with this obligation, which Franchisee shall document to the satisfaction of Franchisor. Franchisor maintains the exclusive right, in Franchisor's Reasonable Business Judgment, to, in whole or in part, replace, modify, substitute and/or discontinue any and all features and/or components of the Licensed Marks and/or the System at any time.

11.E. INDEMNIFICATION OF FRANCHISEE

If Franchisee is sued in a legal proceeding or is threatened with legal action and/or a notice of infringement by a third party where the claims and/or causes of action directly relate to a third party claiming trademark infringement, unfair competition, and/or trademark dilution as a result of Franchisee's use of the Licensed Marks in accordance with the terms of this Agreement and the System (the "IP Claim"), then Franchisor shall indemnify Franchisee for the reasonable and direct costs incurred by Franchisee and/or a judgment entered against Franchisee, provided: (i) Franchisee immediately notified Franchisor of the IP Claim by a written notice sent to Franchisor via priority overnight courier; (ii) Franchisee provided and afforded Franchisor the absolute opportunity and right to defend against the IP Claim and to select and appoint legal counsel of Franchisor's choosing; and (iii) Franchisee utilized the Licensed Marks in accordance with the terms of this Agreement and the System. Franchisee agrees that time is of the essence with respect to notifying Franchisor of the IP Claim in accordance with this Agreement, including this Article 11.E.

11.F. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS, AND INFORMATION

Franchisee agrees that with regard to the Franchised Business, all customer lists, including the contents and information contained in all customer lists, constitute Confidential Information and an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term, and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee, any Owner, and/or Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees relating to the development and operation of Playa Bowls Shops and the System. Franchisee hereby assigns to Franchisor, and Franchisee agrees to procure an assignment of any such ideas, concepts, recipes, methods, and products that Franchisee is required to disclose to Franchisor under this Article 11.F, from each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants, and employees. Franchisor shall have no obligation to tender any lump sum payment, on-going payments, or any other consideration to Franchisee, any Owner, each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants, and employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee shall not use, or allow any other person or entity to use, any such concept, method, technique, or product without obtaining Franchisor's prior written approval.

ARTICLE 12 **RECORDS AND REPORTS**

12.A. MAINTENANCE AND PRESERVATION OF RECORDS

Franchisee shall maintain, preserve, and make available to Franchisor, at the request of Franchisor and on an on-going basis throughout the Term of this Agreement and for a period of three years following the expiration or termination of this Agreement, true and accurate books, accounting, receipts, financial statements, tax returns, and records relating to the operations and business of the Franchised Business. Such records shall be maintained and preserved in the form and manner requested by Franchisor and/or as prescribed by Franchisor in the Operations Manual or otherwise prescribed in writing.

12.B REPORTING OBLIGATIONS

In addition to the reporting obligations otherwise set forth in this Agreement, Franchisee agrees to the following additional reporting obligations that shall be compiled, organized, and contain all of the data and information requested by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified by Franchisor from time to time:

(1) Royalty and Activity Reports – on the Due Date each week, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, the Royalty and Activity Report as designated by Franchisor and in accordance with the terms of this Agreement.

(2) Monthly Financial Statements and Reports – within 30 days of the end of each calendar month Franchisee shall submit to Franchisor monthly financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. At all times Franchisee represents that the financial statements, information, and reports submitted to and/or made available to Franchisor shall be and remain true and accurate. The financial statements must be prepared in accordance with GAAP and must also reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

(3) Annual Financial Statements and Reports – within 60 days of the end of each calendar year, Franchisee shall submit to Franchisor Franchisee’s annual financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. The financial statements must be prepared by a licensed CPA and in accordance with GAAP and must also reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

(4) Tax Returns – Franchisee shall provide to Franchisor, Franchisee’s annual federal, state, and local tax returns as same are prepared and submitted to the applicable federal, state and local entities. Said tax returns shall be submitted to Franchisor within 45 days of Franchisee or Franchisee’s agent filing such returns with the applicable federal, state and local entities; and

(5) Other Reports – Franchisee shall timely submit to Franchisor, all other forms, reports, records, information, and data as Franchisor may reasonably request in writing or as otherwise set forth in the Operations Manual.

12.C. REMEDIES FOR NON-COMPLIANCE WITH RECORDS AND REPORTING

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 12 (a “Reporting Violation”), within 14 days of Franchisor’s invoice, Franchisee shall pay to Franchisor a reporting non-compliance fee (the “Reporting Non-Compliance Fee”) in the amount of \$150 for each and every failure to timely submit a report and/or record as set forth in this Article 12. The foregoing does not constitute Franchisor’s consent to and/or acquiescence to Reporting Violations. Nothing contained in this Article 12.C shall be interpreted as interfering with and/or negating Franchisor’s rights and remedies as set forth in Article 16, and as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

ARTICLE 13 INSPECTION AND AUDITS

13.A. FRANCHISOR’S RIGHT TO INSPECT

Franchisor has the right at any and all times during business hours, throughout the terms of this Agreement and without prior notice to Franchisee to inspect, evaluate, and secret shop Franchisee’s Shop. Franchisee shall fully cooperate with representatives of Franchisor making any inspection and permit such representatives of Franchisor to take photographs, videos, and/or recordings of the Franchised Business, interview employees and customers of the Franchised Business, conduct secret-shopper inspections, and other inspections either with or without notice to Franchisee. Franchisor shall undertake reasonable efforts to minimize the impact of any inspection on the operations of the Franchised Business.

13.B. FRANCHISOR'S RIGHT TO EXAMINE BOOKS AND RECORDS

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited by a third party, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books, statements, and records of the Franchised Business and Franchisee. Franchisee shall maintain complete and accurate copies of all such books, statements, records and supporting documents at Franchisee's Shop Facility. Franchisee must fully cooperate with Franchisor, representatives of Franchisor, and third parties hired by Franchisor to conduct any such examination or audit. In the event Franchisor's examination of Franchisee's records reveals that Franchisee underreported any figure to Franchisor by more than 2%, then Franchisee shall reimburse to Franchisor, all of Franchisor's costs in connection with Franchisor's audit/examination.

ARTICLE 14 TRANSFER OF INTEREST

14.A. TRANSFER BY FRANCHISOR

At all times, Franchisor possesses and maintains the sole, absolute and unilateral right to Transfer and/or assign Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, in whole and/or in part, for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor's sole discretion, to any person, entity, Corporate Entity and/or third party without the consent of Franchisee and without the approval of Franchisee or any other party. Nothing contained in this Agreement shall prevent, prohibit, restrict, hinder, enjoin or otherwise restrain Franchisor from selling, transferring, conveying, or assigning this Agreement and the Ancillary Agreements, and/or Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, to any person, entity, Corporate Entity or other third party. Franchisor has an unrestricted and unequivocal right to Transfer and/or assign any or all of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, in Franchisor's sole discretion. In the event Franchisor Transfers and/or assigns this Agreement and/or the Ancillary Agreements, and/or any or all of Franchisor's rights and obligations set forth in this Agreement and/or the Ancillary Agreements, to a person, an entity, Corporate Entity, or other third party, this Agreement and the Ancillary Agreements, shall survive, remain in full force and effect, and inure to the benefit of the purchaser, transferee, conveyee, and/or assignee of this Agreement and/or the Ancillary Agreements.

14.B. FRANCHISEE MAY NOT TRANSFER WITHOUT FRANCHISOR APPROVAL

Franchisee agrees, and Franchisee represents and warrants that Franchisee's Owners understand and agree, that the rights and duties set forth in this Agreement are personal to Franchisee and each Owner. Therefore, Franchisee agrees that:

- (1) No ownership interest of any Owner in Franchisee may be Transferred without the prior written consent of Franchisor;
- (2) No obligations, rights or interest of Franchisee in (a) this Agreement, (b) the lease or ownership interests in Franchisee's Shop Location and Franchisee's Shop Facility, (c) the Franchised Business, or (d) all or substantially all of the assets of the Franchised Business may be Transferred without the prior written consent of Franchisor. This restriction shall not prohibit Franchisee from granting a mortgage, charge, lien, or security interest in the assets of the Franchised Business or this Agreement for the exclusive purpose of securing financing for the initial development (occurring prior to the Actual Business Commencement Date) of the Franchised Business;
- (3) Without limitation to the foregoing, any Transfer by Franchisee respecting and/or relating to this Agreement and/or the Franchised Business and/or assets associated with the Franchised Business will

require the prior written consent of Franchisor where such Transfer occurs by virtue of: (a) divorce or legal dissolution of marriage; (b) insolvency; (c) dissolution of a Corporate Entity; (d) last will and testament; (e) intestate succession; or (f) declaration of, or transfer in trust;

(4) Any purported Transfer without the written consent of Franchisor, or otherwise in violation of this Agreement including, but not limited to this Article 14.B., shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in this Agreement; and

(5) In the event of a Transfer of this Agreement that is approved by Franchisor, Franchisee shall not be relieved of Franchisee's obligations under this Agreement whether said obligations accrued and/or arose prior to and/or after the date of Transfer.

14.C. CONDITIONS FOR APPROVAL OF TRANSFER

Provided Franchisee and each Owner and Spouse, respectively, are in substantial compliance with this Agreement and the Ancillary Agreements, and Franchisor does not elect to exercise Franchisor's right of first refusal as set forth in Article 14.F. below, Franchisor shall not unreasonably withhold its approval of a Transfer by Franchisee or an Owner. The proposed transferee (including such assignee's owner(s) and spouse(s) if the proposed transferee is a Corporate Entity) must be of good moral character, have sufficient business experience, aptitude and financial resources to own and operate a Playa Bowls Shop, and otherwise meet Franchisor's then applicable standards for franchisees as determined by Franchisor in its sole, but reasonable discretion. Furthermore, the proposed transferee and the proposed transferee's owners and spouses may not own or operate, or intend to own or operate, a Competitive Business. Franchisee agrees that Franchisor may condition approval of a Transfer upon Franchisee's satisfaction (either before, or contemporaneously with, the effective date of the Transfer) of the following:

(1) Franchisee must provide written notice to Franchisor of the proposed Transfer of this Agreement at least 30 days prior to the Transfer, and Franchisee must have also satisfied the obligations set forth in Article 14.F. below;

(2) All accrued monetary obligations of Franchisee and all other outstanding obligations to Franchisor and/or Franchisor's affiliates under this Agreement and the Ancillary Agreements must be satisfied in a timely manner, and Franchisee must satisfy all trade, supplier, and vendor accounts and other debts, of whatever nature or kind, in a timely manner;

(3) Franchisee, each Owner, and each Spouse must not be in default or material breach of this Agreement or the Ancillary Agreements;

(4) The transferee shall be bound by all terms and conditions of this Agreement, and each owner of the transferee and their respective spouses shall personally execute the Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1. Each owner of the transferee shall also be required to execute such further agreements designated by Franchisor whereby the proposed transferee assumes each and every obligation and responsibility of Franchisee as set forth in this Agreement;

(5) All obligations of Franchisee under this Agreement and the Ancillary Agreements shall be assumed by the transferee, each individual owner of transferee, and their respective spouses in a manner satisfactory to Franchisor;

(6) Franchisee, each Owner, and each Spouse must execute the General Release attached to this Agreement as Exhibit 8 releasing Franchisor, Franchisor's affiliates and Franchisor's past and present officers, directors, shareholders, members, partners, agents, representatives, independent contractors,

servants, and employees, of any and all claims against Franchisor for matters arising on, or before, the effective date of the Transfer;

(7) If the proposed Transfer includes or entails the Transfer of this Agreement, substantially all of the assets of the Franchised Business, a controlling interest in Franchisee, or is one of a series of Transfers which in the aggregate Transfers substantially all of the assets of the Franchised Business or a controlling interest in Franchisee, then, at the election of Franchisor and upon notice from Franchisor to Franchisee, the transferee may be required to execute (and/or, upon Franchisee's request, shall cause all interested parties to execute) for a term ending on the expiration date of the original Term of this Agreement, the then current standard form Franchise Agreement offered to new franchisees of Playa Bowls Shops and any other agreements as Franchisor requires. Such agreements shall supersede this Agreement and its associated agreement in all respects, and the terms of Franchisor's then current agreements may differ from the terms in this Agreement, provided that such agreements shall provide for the same Royalty Fee, Advertising Contributions, and all other financial or monetary obligations established in this Agreement;

(8) Unless Franchisee has met the requirements of Article 3.E, within the five year period immediately preceding the Transfer, the transferee, at its expense, must improve, modify, refurbish, renovate, remodel, and/or otherwise upgrade Franchisee's Playa Bowls Shop Facility to conform to the then current standards and specifications of Franchisor, and the transferee must complete such improvements, modifications, refurbishments, renovations, remodeling, and/or upgrading within the time period Franchisor reasonably specifies;

(9) Franchisee, each Owner, and each Spouse shall remain liable for all obligations to Franchisor set forth in this Agreement, except that, following a Transfer that fully complies with this Article 14.C., Franchisee, each Owner, and each Spouse shall not be obligated to pay any Royalty Fees and Advertising Contributions which accrue following the date of the approved Transfer;

(10) At the transferee's expense, the transferee, and the transferee's Managing Owner, managers and/or any other applicable employees of transferee's Playa Bowls Shop must complete any training programs then in effect for franchisees of Playa Bowls Shops upon terms and conditions set forth in this Agreement or as Franchisor otherwise reasonably requires;

(11) Franchisee must pay the Transfer Fee to Franchisor, which is a fixed sum of \$10,000 (the "Transfer Fee");

(12) Franchisor's approval of the material terms and conditions of the Transfer, and Franchisor determines in Franchisor's Reasonable Business Judgment that the price and terms of payment are not so burdensome as to be detrimental to the future operations of the Franchised Business by the transferee;

(13) Transferee's employees, directors, officers, independent contractors, and agents who will have access to Confidential Information shall execute the Confidentiality Agreement attached hereto as Exhibit 2;

(14) Franchisee entering into an agreement with Franchisor agreeing to subordinate any obligations of transferee to make installment payments of the purchase price to Franchisee to the transferee's obligations to Franchisor, including, without limitation, transferee's obligations with respect to Royalty Fees and Advertising Contributions;

(15) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer indicates only that the transferee meets, or Franchisor waived, the criteria established by Franchisor for franchisees as of the time of such transfer, and Franchisor's approval thereof does not constitute a

warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale, successful operation, or profitability of the Franchised Business;

(16) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer at issue does not constitute Franchisor's approval of future or other Transfers or the waiver of the requirement that Franchisor must approve such future or other Transfers in accordance with this Agreement;

(17) The Transfer must be made in compliance with all applicable laws;

(18) The Transfer of the Franchised Business, the lease for Franchisee's Playa Bowls Shop Facility, Shop Location and the assets of the Franchised Business shall be made only in conjunction with a Transfer of this Agreement, approved by Franchisor in accordance with and subject to this Article 14 and the terms and conditions of this Agreement; and

(19) Franchisor's consent to a Transfer of any interest that is subject to the restrictions of this Agreement shall not constitute a waiver of any claims it may have against Franchisee or deemed a waiver of Franchisor's right to demand strict and exact compliance with this Agreement by the transferee.

14.D. DEATH OR DISABILITY OF FRANCHISEE OR AN OWNER

(1) If Franchisee is an individual and not a Corporate Entity, upon the death or permanent disability of Franchisee, the executor, administrator, conservator or other personal representative of Franchisee, must appoint a manager that meets the equivalent of an Operating Manager within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability. The appointed manager (as applicable) must serve and qualify as an Operating Manager and attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Shop is not being managed by a Franchisor approved Operating Manager (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's Shop for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Operating Manager is able to assume the management and operation of Franchisee's Shop. Franchisor's appointment of a manager for Franchisee's Shop does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's Shop may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's Shop or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Shop. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time.

(2) If Franchisee is a Corporate Entity, upon the death or permanent disability of Franchisee's Managing Owner, the remaining Owners within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability must appoint a new Managing Owner that is approved by Franchisor. The appointed Managing Owner must attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Shop is not being managed by a Franchisor approved Managing Owner (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's Shop for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Managing Owner is able to assume the management and operation of Franchisee's Shop. Franchisor's appointment of a manager for Franchisee's Shop does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate

this Agreement pursuant to Article 16, below. At all times, including while Franchisee's Shop may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's Shop or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Shop. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time.

Notwithstanding the foregoing, if Franchisee is a Corporate Entity and the Managing Owner is the only Owner of Franchisee, then Article 14.D.(1) shall apply as if the Managing Owner were the sole individual Franchisee.

(3) Upon the death of Franchisee or any Owner, the executor, administrator, conservator or other personal representative of that deceased person must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed 12 months from the date of death.

(4) If Franchisee is an individual, then in the event of the death or permanent disability of Franchisee, this Agreement may be Transferred to any designated person, heir or beneficiary without the payment of the Transfer Fee. Notwithstanding the immediately foregoing sentence, the Transfer of this Agreement to such transferee of Franchisee shall be subject to the applicable terms and conditions of this Article 14, and the Transfer shall not be valid or effective until Franchisor has received the properly executed legal documents, which Franchisor's attorneys deem necessary to properly and legally document such Transfer of this Agreement. Furthermore, said transferee must agree to be unconditionally bound by the terms and conditions of this Agreement, personally guarantee the performance of Franchisee's obligations under this Agreement, and execute the Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1.

14.E. TRANSFER TO WHOLLY OWNED CORPORATE ENTITY

In the event Franchisee is an individual/are individuals, this Agreement may be Transferred by Franchisee to a Corporate Entity (the "Assignee Corporate Entity"), provided that: (a) Franchisee has provided Franchisor with 30 days prior written notice of the proposed Assignment of this Agreement; (b) Franchisee (individually, jointly and severally as to each individual Franchisee) sign and be bound by the Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (c) the Spouse of each Franchisee (individually, jointly and severally as to each individual Spouse) sign and be bound by the Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (d) Franchisee has provided Franchisor with true and accurate copies of corporate formation documents related to the Assignee Corporate Entity and the ownership of the Assignee Corporate Entity and has further provided Franchisor with all additional documentation as Franchisee may request concerning the proposed assignment and/or Assignee Corporate Entity; and (e) Franchisee is otherwise in compliance with the terms and conditions of this Agreement and any Ancillary Agreements. Franchisee agrees that an assignment to an Assignee Corporate Entity shall not relieve Franchisee of Franchisee's individual obligations under this Agreement as such obligations existed between Franchisee and Franchisor prior to the date of any assignment to the Assignee Corporate Entity.

14.F. FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Franchisee or an Owner desires to engage, in whole or in part, in a Transfer of Franchisee, this Agreement, Franchisee's Shop, Franchisee's Shop Facility, and/or Franchisee's Shop Location, then Franchisee or such Owner (as applicable) must obtain a bona fide, signed written offer from the fully disclosed purchaser (the "Offer") and submit an exact copy of the Offer to Franchisor. Franchisor shall have 30 days after receipt of the Offer to decide whether Franchisor will purchase the interest in Franchisee, Franchisee's Shop, Franchisee's Shop Facility, and/or Franchisee's Shop Location for the same price and upon the same terms contained in the Offer (however, Franchisor may substitute cash for any form of payment proposed in the

Offer). If Franchisor notifies Franchisee that Franchisor intends to purchase the interest within said 30 day period, Franchisee or Owner (as applicable) must sell the interest to Franchisor. Franchisor will have at least an additional 60 days to prepare for closing. Franchisor shall be entitled to receive from Franchisee or Owner (as applicable) all customary representations and warranties given by Franchisee or Owner (as applicable) as the seller of the assets and/or the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or Owner (as applicable) may complete the Transfer to the purchaser pursuant to and in accordance with the terms of the Offer, provided that separate and apart from this Article 14.F. right of first refusal, Franchisee complies with the terms of this Article 14. However, if the sale to the purchaser is not completed within 120 days after delivery of the Offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Article 14.F. Franchisor's right of first refusal in this Article 14.F. shall not apply to any Transfer pursuant to Article 14.E. of this Agreement.

ARTICLE 15

RENEWAL OF FRANCHISE

15.A. FRANCHISEE'S RIGHT TO RENEW

Subject to Franchisee's satisfaction of the terms of this Agreement, including this Article 15, Franchisee shall possess the option to renew the franchise for Franchisee's continued license and franchised operation of the Franchised Business for one additional 10 year term (the "Renewal Term"). The foregoing Renewal Term shall not be afforded to or available to Franchisee if, prior to the Effective Date of this Agreement, the Franchised Business was previously operated or developed pursuant to a prior Franchise Agreement with Franchisor or Franchisor's predecessors respecting the Franchised Business.

15.B. CONDITIONS FOR RENEWAL

Franchisee's renewal rights under this Article 15 are subject to and contingent upon Franchisee's satisfaction of the following conditions and criteria:

- (1) Not less than 180 days prior to the expiration of the initial Term Franchisee must provide Franchisor written notice (the "Renewal Notice") of Franchisee's election to renew;
- (2) At the time of delivering the Renewal Notice and at all times thereafter, Franchisee and Franchisee's Owners must be in compliance with the terms of this Agreement and all Ancillary Agreements, and without any default of this Agreement or the Ancillary Agreements;
- (3) Franchisee must possess, present, and demonstrate to Franchisor and, subject to Franchisor's reasonable satisfaction, that: (a) Franchisee maintains and has secured the legal right to remain in possession of Franchisee's Shop Facility and Shop Location through the entire Renewal Term; or (b) Franchisee has selected a proposed new Shop Location within the Designated Territory that Franchisor, at Franchisor's sole discretion, has approved in writing and that may be timely developed by Franchisee, in accordance with Franchisor's standards and specifications, for the development and operation of the Franchisee's Shop throughout the duration of the Renewal Term;
- (4) Franchisee must update and/or agree to update the condition, appearance and functionality of Franchisee's Shop Facility and Franchisee's Shop Location and to otherwise modify Franchisee's Shop Facility and Franchisee's Shop Location in compliance with Franchisor's specifications and standards then applicable for new Playa Bowls Shops;
- (5) Franchisee pays the Renewal Fee and Franchisee agrees to, signs, and delivers to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current form Shop

Franchise Agreement for the Renewal Term (the “Renewal Franchise Agreement”);

(6) Franchisee’s Owners and their Spouses, respectively, must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor’s then current individual guaranty agreements, and, thereby, among other things, individually and jointly guarantee the full and complete performance of the Renewal Franchise Agreement including, but not limited to, payment obligations, non-compete obligations, and restrictive covenants (the “Renewal Ancillary Agreements”);

(7) Franchisee and the Owners must, prior to the Renewal Term, undertake and complete, to Franchisor’s satisfaction, such additional training, if any, as designated and determined by Franchisor in Franchisor’s Reasonable Business Judgment; and

(8) Franchisee and the Owners must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor’s then current form of general release whereby Franchisee and Franchisee’s Owners shall each fully release and discharge Franchisor, Franchisor’s affiliates and it’s officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, causes of action, and suits arising from and/or related to this Agreement. If local law precludes Franchisee’s issuance of a general release, Franchisor at Franchisor’s election, may condition renewal on Franchisee’s and each Owner’s delivery to Franchisor of an estoppel letter advising and informing Franchisor that the undersigned possesses no legal claim or cause of action against Franchisor and is not aware of any facts of circumstances involving any breach of this Agreement by Franchisor or Franchisor’s agents or employees.

Failure by Franchisee, and, as applicable, each Owner and Spouse to timely comply with the foregoing conditions shall be deemed an election by Franchisee not to renew the franchise.

15.C. RENEWAL FRANCHISE AGREEMENT

Franchisee agrees that the Renewal Franchise Agreement and Renewal Ancillary Agreements, as determined by Franchisor in Franchisor’s sole discretion, may contain terms, conditions, requirements, and rights that are materially and substantively different from those granted and contained in this Agreement.

ARTICLE 16 DEFAULTS, TERMINATION AND REMEDIES

16.A. DEFAULTS BY FRANCHISEE AND TERMINATION BY FRANCHISOR

(1) **Defaults and Automatic Termination** – Franchisee shall be in default of this Agreement, and, this Agreement shall be automatically and immediately terminated, without notice to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances:

(a) Franchisee becomes insolvent, and/or Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;

(b) Franchisee admits in writing Franchisee’s inability to pay its debts as they mature, and/or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;

(c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, and/or Franchisee files any petition or answer seeking any reorganization, arrangement,

composition, readjustment, liquidation, dissolution or other similar relief under any applicable federal and/or state law relative to bankruptcy, insolvency or similar relief for debtors;

(d) An involuntary petition in bankruptcy is filed against Franchisee and Franchisee fails to have the involuntary petition discharged within 35 days of the petition filing, and/or Franchisee seeks, consents to, or acquiesces in, the appointment of any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee;

(e) A bill in equity or other proceeding for the appointment of any trustee, receiver, conservator, custodian or liquidator of Franchisee for Franchisee's business or any assets of Franchisee is filed and Franchisee consents to same;

(f) A court of competent jurisdiction appoints or orders any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee and such appointment or order remains for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;

(g) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;

(h) This Agreement, or any of Franchisee's rights under this Agreement, is levied upon under any attachment or execution, and/or Execution is levied upon or against the Franchised Business or any assets of Franchisee, and/or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or bond is filed;

(i) Franchisee is dissolved, and/or Franchisee's leasehold interests and/or rights in or to Franchisee's Shop Location are terminated;

(j) A cause of action or lawsuit to foreclose any lien or mortgage against Franchisee's Shop Location if Franchisee is the fee simple owner of Franchisee's Shop Location;

(k) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of Franchisee's Shop or located at Franchisee's Shop Location is instituted against Franchisee and not dismissed within 60 days after the summons is served on Franchisee;

(l) Real or personal property of Franchisee used in the operation of Franchisee's Shop is sold after levy thereupon by any sheriff, marshal or other law enforcement officer; and/or

(m) Upon termination by Franchisor pursuant to Article 16.A.(2), Article 16.A.(3), or Article 16.A.(4).

(2) Defaults and Automatic Termination upon Written Notice without Cure Period – Franchisee shall be in default of this Agreement, and, this Agreement may be terminated by Franchisor, at Franchisor's sole discretion, upon written notice from Franchisor to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, with such termination effective on the date of Franchisor's notice:

(a) Franchisee, on three or more instances and/or occasions, engages, commits, and/or suffers an action, inaction, omission, event, and/or circumstance that constitutes or qualifies as a default under Articles 16.A.(3) and/or 16.A.(4) of this Agreement, irrespective of whether or not such action, inaction, omission, event, and/or circumstance is the subject of a notice of default from Franchisor to

Franchisee pursuant to Articles 16.A.(3) and/or 16.A.(4) of this Agreement and irrespective of whether or not such default was timely cured and irrespective of whether or not Franchisee paid any penalties or additional fees to Franchisor;

(b) Franchisee, intentionally and knowingly, refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement with the intent of causing harm to Franchisor, the System, other System franchisee and/or customers of the Franchised Business;

(c) Franchisee intentionally, knowingly, with prior notice, and/or through negligence, at any time, develops, manages, maintains, and/or operates the Franchised Business in violation of federal, state, and/or local laws, rules, regulations, ordinances, permits, codes and/or conduct resulting in a foreseeable, immediate and/or imminent threat to the health and/or safety of any third party including customers, employees, and/or the public at large;

(d) Franchisee abandons, surrenders and/or fails to continuously and actively operate the Franchised Business, unless prevented from doing so by casualty that is the subject of Article 7.D. of this Agreement and that is cured/remedied in accordance with Article 7.D.;

(e) Franchisee loses and/or fails to maintain possession of the leasehold and/or other legal interests providing Franchisee with the uninterrupted legal right and ability to occupy and to continue to occupy Franchisee's Shop Facility throughout the Term and to maintain and operate Franchised Business in accordance with the terms of this Agreement and the standards, specifications, and requirements set forth in the Operations Manual and/or as otherwise communicated by Franchisor from time to time;

(f) As to information, records, statements, and/or data that Franchisee must maintain and/or report to Franchisor pursuant to the terms of this Agreement, the Operations Manual, or as otherwise requested by Franchisor from time to time, the information, records, statements, and/or data maintained by Franchisee and/or reported by Franchisee contains intentional inaccuracies and/or material inaccuracies that are either misleading or false;

(g) Franchisee attempts to Transfer, or purportedly attempts to Transfer, this Agreement or any of Franchisee's rights under this Agreement, without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(h) If Franchisee is a Corporate Entity, an Owner of Franchisee attempts to Transfer, or purportedly Transfers, the Owners equity interests, ownership interests, and/or rights in Franchisee without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(i) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of the contents, data and/or information contained in the Operations Manual to any third party not otherwise authorized by Franchisor;

(j) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of Confidential Information to any third party not otherwise authorized by Franchisor;

(k) Franchisee engages in any activity that injures, harms, damages, or otherwise has a material adverse effect on Franchisor, the System, the Licensed Marks, Playa Bowls Shops, Franchisee's Shop, and/or the reputation of the Playa Bowls brand;

(l) Franchisee, an Owner, and/or a Spouse, as applicable and whether individually or jointly, breaches or is in default of an Ancillary Agreement, and, if the applicable agreement provides for the opportunity to cure, fails to timely cure the breach or default of the Ancillary Agreement, including, without limitation, the Owner and Spouse Agreement and Guaranty;

(m) Franchisee and/or an Owner of Franchisee is convicted of a felony crime, and/or pleads guilty or nolo contendere to a felony crime;

(n) Franchisee and/or an Owner of Franchisee engages in intentionally dishonest and/or unethical conduct that, in Franchisor's Reasonable Business Judgment, results in embarrassment to Franchisor, the System, the Licensed Marks, Playa Bowls Shops, Franchisee's Shop, and/or the reputation of the Playa Bowls brand;

(o) Franchisee fails to complete, to Franchisor's reasonable satisfaction, the Training Program and/or supplemental training programs designated by Franchisor;

(p) Franchisee fails, upon receiving actual or constructive notice, shall: (1) immediately notify Franchisor of any known breach of the Confidentiality Agreement by any person or entity; (2) immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Confidentiality Agreement and/or is in the process of violating the Confidentiality Agreement; and (3) take reasonable steps including notice to Franchisor and Franchisee's consultation with Franchisee's legal counsel, to prevent any person or entity from violating the terms of the Confidentiality Agreement and/or otherwise publicly disseminating Confidential Information;

(q) Franchisee misappropriates, misuses, or makes any unauthorized use of the Licensed Marks, the Confidential Information, and/or the System and/or Franchisee materially impairs the goodwill associated with the Licensed Marks, and/or Franchisee applies for registration of the Licensed Marks anywhere in the world; and/or

(r) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or becomes listed on the Annex to Executive Order 13244.

(3) Defaults and Automatic Termination After 10 Day Cure Period – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default / action, inaction, omission, event, and/or circumstance within 10 calendar days of Franchisor's written notice:

(a) Franchisee fails, refuses, and/or is unable to timely pay the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, charge, and/or monetary obligation payable and/or due to Franchisor pursuant to the terms of this Agreement, under this Agreement, and/or any other agreement between Franchisor and Franchisee;

(b) Franchisee and/or Franchisee's affiliate fails, refuses, and/or is unable to pay any payment, fee, financial obligation, charge, and/or monetary obligation payable to Franchisor and/or Franchisor's affiliates pursuant to this Agreement and/or any other agreement between or among Franchisor, Franchisor's affiliate, Franchisee and/or Franchisee's affiliate; and/or

(c) Franchisee fails or refuses, at any time, and, without legal justification as may be determined by Franchisor in Franchisor's Reasonable Business Judgment, to pay any third party supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items used by, benefitting, and/or intended to benefit the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(3) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

(4) Defaults and Automatic Termination After 30 Day Cure Period – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default / action, inaction, omission, event, and/or circumstance within 30 calendar days of Franchisor's written notice:

(a) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement that is not otherwise a default under Articles 16.A.(1), 16.A.(2), or 16.A.(3) of this Agreement;

(b) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of any agreement, other than this Agreement, between Franchisor and Franchisee, and/or an affiliate of Franchisor and Franchisee;

(c) Franchisee fails or refuses, in accordance with the terms of this Agreement, to obtain and secure a signed lease agreement or fee simple ownership interest in a shop location that is approved by Franchisor, in Franchisor's Reasonable Business Judgment, as Franchisee's Shop Location;

(d) Franchisee fails or refuses to develop and open the Franchised Business on or before the Scheduled Business Commencement Date, in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards and specifications as communicated to Franchisee from time to time;

(e) Franchisee fails or refuses, at any time, to manage, maintain, and/or operate the Franchised Business in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards, specifications, and requirements as communicated to Franchisee from time to time, including Franchisee's failure to operate the Shop during the days and hours specified by Franchisor from time to time;

(f) Franchisee fails or refuses, at any time, to develop, manage, maintain, and/or operate the Franchised Business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and codes;

(g) At any time, an inspection and/or evaluation of the operations of the Franchised Business – whether by mystery shopper programs, third party inspection services, or as otherwise designated by Franchisor, and, whether or not such inspections are on notice or secret – Franchisor, in Franchisor's Reasonable Business Judgment, determines that the operations of the Franchised Business do not meet or are in violation of the operational standards and requirements set forth in this Agreement, the Operations Manual, and/or as communicated to Franchisee from time to time;

(h) Franchisee fails or refuses to timely submit to Franchisor records, reports, stored media, recordings, financial statements, books, accounts, statements, data, documentation and/or other information as required by this Agreement, as set forth in the Operations Manual, and/or as requested by Franchisor

(i) If any inspection or review of Franchisee's records, reports, books, accounts, statements, data, documentation and/or other information discloses, within any week, month, or Accounting Period selected by Franchisor, the underreporting of Franchisee's Gross Sales, and/or any other metrics or data, resulting in the underpayment, by 5% or more, of the obligations, payments, and/or fees due by Franchisee to Franchisor under the terms of this Agreement;

(j) Franchisee fails or refuses, at any time, to maintain the required insurance policies and insurance coverage required for the Franchised Business as set forth in this Agreement, and/or in the Operations Manual; and/or

(k) Franchisee fails to timely satisfy and pay all vendors, suppliers and/or contractors in connection with the development, construction, and/or establishment of the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(4) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

16.B. TERMINATION BY FRANCHISEE

If Franchisee, each Owner and Spouse (as applicable) are in full compliance with each and every term and provision of this Agreement, any amendment or successor agreement, and any of the Ancillary Agreements, and Franchisor materially breaches Franchisor's substantive and material obligations set forth in this Agreement, Franchisee may terminate this Agreement in the event of the following:

(1) Franchisor does not correct the material breach within 30 days after Franchisor's receipt of Franchisee's written notice of such material breach to Franchisor; or

(2) In a case where Franchisor's material breach cannot reasonably be cured within 30 days, within 30 days of Franchisor's receipt of Franchisee's written notice of Franchisor's material breach, Franchisor shall be provided a reasonable time period to cure such material breach provided that Franchisor provides reasonable evidence to Franchisee of Franchisor's current, continuing and/or planned efforts to correct the material breach within a reasonable time.

In either case, Franchisee's termination of this Agreement shall not take effect until expiration of the 30 day period set forth above and or such reasonable time period as necessary to cure the material breach, and Franchisee delivers to Franchisor a separate written notice of termination. The termination date must be at least 10 days after Franchisor's receipt of Franchisee's notice of termination. Franchisee's termination of this Agreement for any reason other than as set forth in and in compliance with this Article 16.B. shall not constitute the termination of this Agreement and shall constitute a material breach of this Agreement by Franchisee.

16.C. FRANCHISOR'S ADDITIONAL RIGHTS, REMEDIES, AND DAMAGES

Franchisee agrees that Article 16.A. sets forth actions, inactions, omissions, events, and/or circumstances that, among other things, constitute, in each and every instance and subject to any applicable cure period, if any, a default of this Agreement permitting Franchisor to, among other things, terminate this Agreement and/or resulting in the automatic termination of this Agreement. The grounds constituting a default under Article 16.A. are in addition to any and all other grounds for default as may be otherwise set forth in the Franchise Agreement. In the event of an event of default of this Agreement by Franchisee under Article 16.A. or, as otherwise set forth in this Agreement, Franchisee agrees that termination of this Agreement is not the sole or exclusive remedy of Franchisor and that Franchisor's right or remedy of termination shall be in addition to any and all other rights set forth in this Agreement, and as otherwise available to Franchisor in law or equity.

Without limitation to the foregoing, additionally, in the event of the termination of this Agreement as a result of a default or breach by Franchisee and/or, by Franchisee's Owners and/or affiliates of any Ancillary Agreements, Franchisor, in addition to any and all other rights and remedies available to Franchisor as set forth in this Agreement, and, at law and in equity, shall possess the following rights and remedies, each of which are not exclusive of the other and may be/are in conjunction with one another:

(1) To void and terminate this Agreement, and thereafter to market, sell, transfer, convey and assign the rights granted to Franchisee under this Agreement to any other person or entity in Franchisor's sole discretion and without compensation to Franchisee.

(2) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee pursuant to this Agreement, the Ancillary Agreements, and/or any other agreements between Franchisee and Franchisor, including, without limitation, Royalty Fees and Advertising Contributions with each and every payment and obligation to be accelerated and due immediately.

(3) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, lost revenues, profits, and fees including, but not limited to Royalty Fees, National Marketing Fund Fee, Advertising Contributions, and all other fees, revenues and/or expenses that would have been paid to Franchisor, under the terms of this Agreement and throughout the Term of this Agreement, had a breach not occurred and had Franchisor not terminated this Agreement. In calculating and determining the foregoing Franchisee agrees that in calculating and in determining such damages that it is fair and reasonable to use Franchisee's most recent calendar year Gross Sales in calculating and determining Franchisor lost revenues and fees and by assuming that such Gross Sales would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. If, however, the Franchised Business has been open and in operation for less than one calendar year, Franchisee agrees that it is fair and reasonable to use an average of Shop Gross Sales across the System during the year in which this Agreement was terminated and to use such average Gross Sales for the purpose of calculating and determining Franchisor lost revenues and fees and, in doing so, by assuming that such Gross Sales would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. Franchisee agrees that the foregoing is a form of liquidated damages, and that it is fair and reasonable.

(4) To hold Franchisee and Franchisee's Owners liable for all costs, fees, expenses, and/or damages incurred by Franchisor and/or suffered by Franchisor as a result of a breach or termination including, but not limited to, the recovery of reasonable attorney fees and expenses including court costs, arbitration fees, mediation fees, arbitrator fees, mediator fees, depositions and other related expenses.

(5) To enjoin, restrain, and otherwise prohibit Franchisee from operating Franchisee's Shop or exercising any rights granted to Franchisee under this Agreement pursuant to a court order restraining order, injunction or other means.

(6) Declaratory judgment that this Agreement and all rights granted to Franchisee under this Agreement are terminated, null and void.

(7) All other remedies and/or rights available to Franchisor as otherwise set forth in the Agreement and/or as may be otherwise available by law or equity.

In the event of a breach or default of this Agreement, should Franchisor elect, at Franchisor's sole discretion, to not terminate this Agreement, such action shall be without prejudice and without waiver of Franchisor's rights in the future. Further, at all times, and without prejudice to Franchisor's right to declare a default and, among other things, terminate this Agreement, Franchisor may: (i) temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee and/or refrain from offering or making available to Franchisee any credit arrangements or accommodations that may be offered or made available to other System franchisees; (ii) modify payment terms for approved products, supplies, or other merchandise purchased by Franchisee which may include, without limitation, requiring cash on delivery; (iii) disqualify Franchisee from being eligible for, or from participating in, special promotion programs, rebates, and/or rebate sharing that may be offered or made available to other System franchisees; and/or (iv) refrain from providing or making available to Franchisee promotional materials or other materials developed by the National Marketing Fund and/or Advertising Cooperative.

If Franchisor does not pursue termination of this Agreement in the event of a default or breach by Franchisee, and/or Franchisor accepts any royalties, payments, contributions, funds, or other monetary sums from Franchisee, such actions do not constitute a waiver or acceptance of Franchisee's default or breach, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor's rights and remedies are cumulative, and no exercise or enforcement by Franchisor of any such right or remedy precludes the exercise or enforcement by Franchisor of any other right or remedy which Franchisor is entitled by law to enforce.

ARTICLE 17

OBLIGATIONS UPON TERMINATION, EXPIRATION

AND CONTINUING OBLIGATIONS

17.A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR

Without limitation as to any other Article or provision of this Agreement, upon expiration or termination of this Agreement for any reason, Franchisee shall immediately pay to Franchisor all sums and fees due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to Royalty Fees and Advertising Contributions and all other sums and fees due from Franchisee to Franchisor and/or Franchisor affiliates and/or suppliers for products and services including, but not limited to, System Supplies.

17.B. CEASE OPERATIONS AND PROTECTION OF THE SYSTEM

Upon expiration, termination, or Transfer of this Agreement for any reason, Franchisee shall immediately:

(1) Permanently cease to be a franchise owner of the Shop that was the subject of this Agreement and cease to operate such Shop under the System;

(2) Directly or indirectly, cease to hold itself out to any person or entity, or represent itself, as a present or former Playa Bowls Shop franchisee;

(3) Permanently cease to use, in any manner: (a) the System including, without limitation, the Confidential Information, the Licensed Marks, the Business Management System Data, and the Operations Manual; (b) any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or that constitute Franchisor's trade secrets; (c) System Supplies, including communicating with or ordering products from Franchisor's designated suppliers and vendors of System Supplies; (d) the Approved Products and Services; and (e) any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Licensed Marks, Playa Bowls Shops, the Franchised Business, and Franchisee's former Playa Bowls Shop, including, without limitation, any confidential, proprietary methods, procedures, descriptions of products, techniques, trade secrets, recipes, proprietary marks, distinctive forms, slogans, symbols, signs, stationary, advertising material, articles, logos, devices, items and all other things, tangible or intangible, associated with Franchisor, the System, the Licensed Marks, and Playa Bowls Shops;

(4) Return to Franchisor the Operations Manual (including any and all parts, supplements, and copies of the Operations Manual), the Confidential Information (including without limitation the Business Management System Data and all customer lists and information), and all other confidential materials, equipment, software, information, and property owned by Franchisor and all copies thereof provided, however, that Franchisee may retain Franchisee's copies of this Agreement, correspondence between Franchisor and Franchisee, but not including Confidential Information that may be contained in or attached thereto, and other documents that Franchisee needs to retain pursuant to applicable law;

(5) Permanently cease accessing, immediately disconnect from, and discontinue using any and all digital media, intra-nets, cloud based systems, and/or servers that store, maintain, and/or provide access to the Operations Manual, Confidential Information, and all other standards, specifications of Franchisor;

(6) Immediately notify Franchisor, in writing, of any and all locations where Franchisee may have maintained and/or stored digital files and/or media containing all or parts of the Operations Manual, any Confidential Information, and all other standards and specifications of Franchisor, immediately turn over such digital files and media to Franchisor, and follow Franchisor's instructions as to the destruction of such digital files and media;

(7) Except in the event an authorized transferee continues to operate Franchisee's former Shop at Franchisee's Shop Location subsequent to a Transfer, at Franchisee's sole cost and expense: (a) modify and alter Franchisee's former Shop, Franchisee's former Shop Facility, and Franchisee's Shop Location, as reasonably necessary or otherwise required by Franchisor, to ensure that Franchisee's Shop Facility and Franchisee's Shop Location have been completely de-identified and differentiated from its former appearance to prevent any confusion by the public as to the continued existence of a Shop at the Shop Location; (b) remove from Franchisee's Shop Facility and Franchisee's Shop Location all distinctive physical and structural features identifying a Shop and all distinctive signs, trade dress and emblems associated with the System including, without limitation, signs, trade dress, and emblems bearing the Licensed Marks; and (c) make specific additional changes to Franchisee's Shop Facility and Franchisee's Shop Location as Franchisor reasonably requests for the purpose of completely de-identifying Franchisee's former Shop. Franchisee shall immediately initiate the foregoing actions and complete such actions within the period of time designated by Franchisor, and Franchisee agrees that Franchisor and/or Franchisor's designated agents may enter the premises of Franchisee's Shop Facility and Franchisee's Shop Location at any time to make foregoing alterations at Franchisee's sole risk and expense. Franchisee further agrees that Franchisee's failure to timely make modifications and alterations to Franchisee's Shop Facility and Franchisee's Shop Location will cause irreparable injury to Franchisor, and Franchisee consents to the entry, at Franchisee's expense, of any ex-parte order by

any court of competent jurisdiction authorizing Franchisor or its agents to take action, if Franchisor seeks such an order;

(8) Take all actions necessary and/or reasonably required to cancel all fictitious or assumed names or equivalent registrations relating to the Licensed Marks;

(9) At no cost to Franchisor, take such action as may be determined by Franchisor to: (a) provide and assign to Franchisor the Business Management System, the Business Management System Data, and all customer lists, customer information, and customer data; and (b) transfer, disconnect, and/or otherwise assign, as directed by Franchisor, all telephone numbers, email addresses, yellow pages telephone directories, telephone directory type listings, Digital Media listings, accounts and log-in information used in connection with Franchisee's former Shop and/or otherwise associated with the System and/or the Licensed Marks, cancel Franchisee's interests in same as such cancellation may be directed by Franchisor, and effectuate, perform, honor, and comply with Franchisee's obligations under the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit 6;

(10) Abide by, and comply with, the restrictive covenants and obligations set forth in this Agreement, including, without limitation, the restrictive covenants and obligations set forth in Article 6.B. through Article 6.E. of this Agreement; and

(11) Provide Franchisor, within 30 days of the expiration, termination, or Transfer of this Agreement, with written proof demonstrating that Franchisee has complied with the terms of this Article 17 and all other obligations under this Agreement that Franchisee must perform, abide by, and comply with, subsequent to the termination, expiration, or Transfer of this Agreement.

17.C. CONTINUING OBLIGATIONS

All obligations under this Agreement that expressly, or by their nature, survive, or are intended to survive, the expiration, termination, or Transfer of this Agreement shall continue in full force and effect subsequent to, and notwithstanding, this Agreement's termination, expiration, or Transfer until such obligations are satisfied in full or, by the nature and/or terms, such obligation(s) expire.

Franchisee further agrees that in the event of a Transfer of this Agreement by Franchisee, whether or not such Transfer is authorized by Franchisor or made in violation of this Agreement, under no circumstance shall Franchisee be relieved of Franchisee's Obligations under this Agreement and under no circumstance shall each Owner and Spouse be relieved of their respective guarantees, agreements, and obligations related to, or associated with, this Agreement, including, without limitation, the guarantees, agreements, and obligations set forth in the Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1. The immediately foregoing shall not be interpreted or otherwise construed as constituting consent to any Transfer of this Agreement without the express written consent by Franchisor and Franchisee's compliance with this Agreement respecting any such Transfer.

ARTICLE 18 ENFORCEMENT AND CONSTRUCTION

18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in this Agreement, each and every term and provision of this Agreement shall be interpreted or otherwise construed to be independent of each other and severable. Although each term and provision of this Agreement is considered by the parties to be reasonable and intended to be enforceable, if any such term or provision of this Agreement is found by

a court of competent jurisdiction, agency, or other government agency to be unenforceable as written or otherwise, then such term and condition shall be modified, rewritten, interpreted, or “blue-lined” to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or “redlined” in any respect, then it will not be given effect and severed from this Agreement, and the remainder of this Agreement shall be interpreted, construed and enforced as if such term and condition was not included in this Agreement.

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any such substituted and/or modified term and condition of this Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of this Agreement as though it were originally and separately articulated in, and made a part of, this Agreement as of the Effective Date and/or any specification, standard or operating procedure Franchisor prescribes, which may result from striking from any terms and conditions, specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, this Agreement shall be enforced as originally made in all other jurisdictions.

18.B. WAIVER OF OBLIGATIONS

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor’s rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor’s other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance shall constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement shall not constitute a waiver or acceptance of Franchisee’s default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor shall likewise not be deemed to have waived or impaired any term and condition, right, option or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor’s insistence upon Franchisee’s strict compliance with Franchisee’s obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement shall be valid unless in writing and signed by Franchisor.

18.C. FORCE MAJEURE

If either Franchisor or Franchisee is delayed in performing any obligation under this Agreement by any cause reasonably beyond its control when such cause would affect any person or entity similarly situated, including, without limitation, war, civil disorder, catastrophic weather, power outage, acts of God, including, but not limited to, natural disaster, tornados, earthquakes, wildfires, and pandemics and/or labor strikes unassociated with Franchisee or Franchisor (collectively, “Force Majeure”), then the time period for

performing such obligation shall be extended by a period of time equal to the period of delay. Notwithstanding the immediately foregoing sentence, any delay resulting from Force Majeure shall not excuse Franchisee's payment of any fee, charge, amount, and/or any other monetary or financial obligation to Franchisor under this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, and the non-performance of any obligation under this Agreement due to Force Majeure shall not be extended or otherwise excused for more than six months.

18.D. SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Licensed Marks or the System. Without limitation to the rights set forth in Article 6 of this Agreement, Franchisee agrees that Franchisor may obtain such injunctive relief. Franchisee agrees that Franchisor will not be required to post a bond (other than as set forth in Article 6.H. of this Agreement) to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). The remedies available to Franchisor under Article 6.H. are not exclusive of one another and may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Without limitation to the foregoing Franchisee agrees that in the event of a breach of this Agreement by Franchisee respecting and/or concerning the System and/or the Licensed Marks shall cause irreparable harm to Franchisor, the System and the Licensed Marks. The foregoing shall not be interpreted to invalidate the mediation and arbitration requirements set forth in Article 18.G. of this Agreement and shall be consistent with same.

18.E. RIGHTS OF PARTIES ARE CUMULATIVE

The rights under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

18.F. GOVERNING LAW

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW JERSEY, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES SHALL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY THE STATE OF NEW JERSEY SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

18.G. NON-BINDING MEDIATION AND BINDING ARBITRATION

(1) **Non-Binding Mediation** – Franchisee and Franchisor agree that before either party may bring any action, dispute and/or controversy arising from or related to this Agreement and/or the franchise relationship between Franchisor and Franchisee in arbitration, the parties must first mediate the dispute through non-binding mediation. Mediation shall be non-binding and shall be conducted by the American Arbitration Association (“AAA”) in accordance with AAA's then current rules for the mediation of commercial disputes. All mediation proceedings shall be conducted in Monmouth County, New Jersey or, if a mediator is not available in Monmouth County, New Jersey then at a suitable location selected by the mediator that is located closest to Monmouth County, New Jersey. Mediation shall be conducted by one mediator and if Franchisor and Franchisee cannot agree on a mediator then

the mediator shall be selected by AAA. Mediation shall be conducted within 45 days of AAA's designation and/or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Franchisee in writing and signed by each respective party. Franchisor and Franchisee shall each be responsible for their own costs associated with mediation and Franchisor and Franchisee shall each be responsible for and shall each pay 50% of the mediator's fee and AAA's mediation fees.

Notwithstanding the preceding paragraph, Franchisor and Franchisee agree this Sub-Article 18.G.(1) and, thereby, the prerequisite requirement of non-binding mediation, shall not, at Franchisor's election, apply to: (a) any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee's violation or purported violation of Article 6 of this Agreement; and/or (b) claims by either Franchisor or Franchisee under this Agreement that relates to either Franchisor's or Franchisee's failure to pay fees or other monetary obligations due under this Agreement.

(2) **Arbitration** – Subject to the prerequisite requirements of non-binding mediation as set forth in Sub-Article 18.G.(1), and, except, at Franchisor's election, as to any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee's violation or purported violation of Article 6 of this Agreement, Franchisor and Franchisee agree that all disputes, controversies, and claims, arising from and/or related to this Agreement, the relationship between Franchisor and Franchisee, the System, and/or the validity of this Agreement and/or the Ancillary Agreements, shall be submitted, on demand of either Franchisor or Franchisee, to AAA for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with AAA's then current rules for commercial disputes, except as may be otherwise required in this Article 18.G. All arbitration proceedings shall be conducted in Monmouth County, New Jersey or, if suitable AAA facilities are not available in Monmouth County, New Jersey then at a suitable AAA location selected by the arbitrator that is located closest to Monmouth County, New Jersey.

In connection with binding arbitration, Franchisor and Franchisee further agree that:

(a) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;

(b) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;

(c) The arbitrator shall render written findings of fact and conclusions of law;

(d) Except as may be otherwise required and/or prohibited by this Agreement including, but not limited to Articles 18.I., 18.J., 18.N., 18.O., 18.R., 18.T., and 18.X. of this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid;

(e) They shall each be bound to the limitations periods set forth in Article 18.I. of this Agreement and that, in any arbitration proceeding, Franchisor and Franchisee must each timely submit, within the same arbitration proceeding, any claim that would constitute a compulsory counterclaim as such claims are defined and set forth under Rule 13 of the United States Federal Rules of Civil Procedure. Any claim that is not submitted or filed as required shall be forever barred;

- (f) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction; and
- (g) Arbitration and/or any arbitration award must be conducted in accordance with the terms of this Agreement including, but not limited to, the requirements set forth in this Article 18.

(3) **Consent to Jurisdiction and Venue** – Subject to the non-binding mediation and arbitration provisions set forth in this Article 18.G., Franchisor and Franchisee agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within New Jersey and within Monmouth County or the county closest to Monmouth County. Franchisor and Franchisee do hereby irrevocably consent to and waive any objection to such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, Franchisor and Franchisee agree that Franchisor, at Franchisor's election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either the Franchised Business was located or where Franchisee resides.

18.H. VARIANCES

FRANCHISEE AGREES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING. FRANCHISEE UNDERSTANDS THAT EXISTING FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

18.I. LIMITATIONS OF CLAIMS

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO MAKE PAYMENTS TO FRANCHISOR PURSUANT TO THIS AGREEMENT, FRANCHISOR'S ENFORCEMENT OF THE RESTRICTIVE COVENANTS SET FORTH IN ARTICLE 6 OF THIS AGREEMENT, AND FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR IN ACCORDANCE WITH THIS AGREEMENT, ANY AND ALL CLAIMS AND/OR CAUSES OF ACTIONS ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR RESULTING FROM THIS AGREEMENT, SHALL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED OR ONE YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

18.J. WAIVER OF PUNITIVE DAMAGES AND LIMITATION OF DAMAGES

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT, PROVIDED THAT SUCH WAIVER SHALL NOT APPLY TO ANY CLAIM FOR DAMAGES: (A) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER

THIS AGREEMENT; AND/OR (B) FOR LOST PROFITS, FEES, AND/OR OTHER PAYMENTS OR OBLIGATIONS THAT OTHERWISE WOULD HAVE BEEN PAYABLE AND DUE UNDER THIS AGREEMENT BY FRANCHISOR OR FRANCHISEE AND/OR THE OWNERS UPON OR ARISING OUT OF A BREACH RESULTING IN THE TERMINATION OF THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT.

18.K. WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

18.L. BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

18.M. COMPLETE AGREEMENT

This Agreement, and the Schedules and Exhibits to this Agreement, as executed and, as applicable, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee. The foregoing shall not constitute and does not constitute any disclaimer as to the express representations made by Franchisor in the Franchise Disclosure Document disclosed to Franchisee in connection with this Franchise Agreement.

18.N. ATTORNEY FEES AND EXPENSES

Franchisee agrees that in the event that an arbitrator in any arbitration proceeding and/or, a court of competent jurisdiction shall issue an award, judgment, decision and/or order finding, holding and/or declaring Franchisee's breach of this Agreement than Franchisor shall also be entitled to the recovery of all reasonable attorney fees, costs and expenses associated with and/or related to such arbitration and/or litigation. Said fees, costs and expenses shall include, but not be limited to, attorney fees, arbitration fees, arbitrator fees, deposition expenses, expert witness fees and filing fees.

18.O. NO CLASS ACTION OR MULTI-PARTY ACTIONS

FRANCHISOR AND FRANCHISEE AGREE THAT ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF THE PLAYA BOWLS FRANCHISE FROM FRANCHISOR TO FRANCHISEE, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS, AND, THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S OWNERS, SPOUSES AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

18.P. ACCEPTANCE BY FRANCHISOR

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

18.Q. OPPORTUNITY FOR REVIEW BY FRANCHISEE’S ADVISORS

Franchisor recommends that Franchisee have this Agreement and the Franchise Disclosure Document reviewed by Franchisee’s lawyer, accountant, and other business advisors, prior to signing this Agreement.

18.R. NO PERSONAL LIABILITY BY FRANCHISOR’S EMPLOYEES, OFFICERS OR AGENTS

Franchisee agrees that the fulfillment of any of Franchisor’s obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law shall be Franchisor’s sole obligation and none of Franchisor’s employees, officers and/or authorized agents shall be personally liable to Franchisee for any reason. In addition to the foregoing, Franchisor and Franchisee are not joint employers. The foregoing shall not be construed to imply that Franchisor and/or Franchisor’s agents have made any oral promises as pursuant to Article 18.M. of this Agreement, this written Agreement represents the sole Agreement between Franchisor and Franchisee.

18.S. NON-UNIFORM AGREEMENTS

Franchisee agrees that Franchisor makes no representations or warranties that all other agreements with Playa Bowls Franchisor LLC franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee agrees that Franchisor may waive or modify comparable provisions of other Franchise Agreements to other System franchisees in a non-uniform manner.

18.T NO RIGHT TO OFFSET

Franchisee shall not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Franchisee, or for any other reason, withhold any payment, fee, or any other amount payable by Franchisee to Franchisor pursuant to this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, or any other payment obligation by Franchisee to Franchisor. Franchisee shall not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Franchisee from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Franchisee to Franchisor.

18.U. HEADINGS

The headings and subheadings in this Agreement are strictly for convenience and reference only, and they shall not limit, expand, or otherwise affect the interpretation and construction of the terms and conditions of this Agreement.

18.V. AUTHORITY TO EXECUTE

Each party agrees, warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement has been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

18.W. COUNTERPARTS, ELECTRONIC SIGNATURES, AND MULTIPLE COPIES

This Agreement may be executed electronically. This Agreement may be executed in counterparts, all of which counterparts shall be deemed originals and taken together shall constitute a single agreement. Executed electronic or print duplicates of this Agreement, if any, and their respective signatures shall be deemed originals.

18.X. JOINT AND SEVERAL LIABILITY

If Franchisee consists of more than one person or entity, then their liability under this Agreement shall be deemed joint and several.

18.Y. RECITALS

The parties agree that the recitals and representations contained on the first page of this Agreement constitute a part of this Agreement and are hereby fully incorporated into the terms of this Agreement.

ARTICLE 19
NOTICES

All written notices and reports permitted or required to be delivered by this Agreement shall be deemed so delivered, at the time delivered by hand, one business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three business days after placed in the U.S. mail by registered or certified mail, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Reports requiring delivery shall be delivered by certified U.S. mail and/or electronically, as designated by Franchisor. The addresses for the parties set forth in the initial paragraph of this Agreement shall be used unless and until a different address has been designated by written notice to the other party. Any notice required under this Agreement shall not be deemed effective or given by Franchisee to Franchisor unless given in strict compliance with this Agreement. Notwithstanding the foregoing, the Operations Manual and modifications to the Operations Manual may be delivered and/or noticed to Franchisee by such means selected by Franchisor, including electronic notice and email.

In all cases where Franchisor’s prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and, unless otherwise expressly proscribed in this Agreement, Franchisor shall respond within 10 business days after receiving Franchisee’s written request and all supporting documentation, provided if Franchisor does not respond, such request shall be deemed unapproved. Franchisor’s consent to, or approval of, any act or request by Franchisee shall be effective only to the extent specifically stated, and Franchisor’s consent or approval shall not be deemed to waive, or render unnecessary, consent or approval of any other subsequent similar act or request.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement as of the Effective Date set forth in the first paragraph of this Agreement.

[SIGNATURE PAGE TO FOLLOW]

Franchisor:

Playa Bowls Franchisor LLC

By: _____
Signature

Name and Title (please print)

Dated

Signature

Name (please print)

Dated

Franchisee:

Signature

Name (please print)

Dated



Franchise Agreement – Schedule 1
Shop Location and Designated Territory Acknowledgment

Pursuant to the Franchise Agreement dated _____, 20__ by and between Playa Bowls Franchisor LLC, as Franchisor, and _____, as Franchisee (the “Franchise Agreement”), Franchisor and Franchisee agree:

(a) Franchisee’s Shop Location – “Franchisee’s Shop Location,” as such term is defined in the Franchise Agreement, including, but not limited to Articles 1 and 2.A., is identified, as follows:

[To be effective this Schedule must be completed and signed by Franchisor. If not completed and signed at time of signing Franchise Agreement, may be completed in the future pursuant to the terms of the Franchise Agreement.]

(b) Franchisee’s Designated Territory – Franchisee’s “Designated Territory,” as such term is defined in the Franchise Agreement, including, but not limited to Articles 1 and 2.A., is designated as follows:

[To be effective this Schedule must be completed and signed by Franchisor. If not completed and signed at time of signing Franchise Agreement, may be completed in the future pursuant to the terms of the Franchise Agreement.]

If there is any inconsistency or conflict between the terms of this Acknowledgment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

Dated: _____

Franchisor:
Playa Bowls Franchisor LLC

Franchisee:

By: _____
Signature

Signature

Name and Title (please print)

Name (please print)

Signature

Name (please print)



Franchise Agreement – Schedule 2
Statement of Franchise Owners

Franchisee represents that the following schedule is complete and accurately identifies Franchisee’s Owners, Franchisee’s Managing Owner, and their respective ownership interests in Franchisee. Defined terms shall have the meanings set forth in the Franchise Agreement between Franchisor and Franchisee.

If Franchisee is a Corporate Entity, Franchisee represents and affirms to Franchisor that the following list identifies each and every Owner of Franchisee and their respective ownership interests.		
Owner Name	Owner Address	Ownership Interest Percentage
Name of designated Managing Owner:		

Dated: _____

Franchisor:
Playa Bowls Franchisor LLC

Franchisee:

By:
Signature

Signature

Name and Title (please print)

Name (please print)

Signature

Name (please print)



Franchise Agreement – Exhibit 1
Owner and Spouse Agreement and Guaranty



OWNER AND SPOUSE AGREEMENT AND GUARANTY

This Franchise Owner and Spouse Agreement and Individual Guaranty (the “Agreement”) is individually entered into by you as either an owner of _____ (hereinafter referred to as “**Franchisee**”), Franchisee, or the spouse of the owner of franchisee and is given and signed by you in favor of Playa Bowls Franchisor LLC, franchisor of the Playa Bowls franchise system and in favor of Playa Bowls Franchisor LLC’s successors and assigns, upon the terms and conditions set forth in this Agreement. In this Agreement Playa Bowls Franchisor LLC is referred to as “**us**”, “**our**” or “**we**”, and each individual that signs this Agreement is referred to as “**you**”.

Recitals and Representations

WHEREAS, Franchisee has entered into a Playa Bowls Franchise Agreement (the “Franchise Agreement”) for the development and operation of a Playa Bowls Shop (the “Shop” or “Franchised Business”) featuring acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, smoothies, juices, and other healthy menu items and other menu items that Franchisor authorizes (the “Approved Products and Services”) under the Licensed Marks (defined below);

WHEREAS, you represent that you have received and have thoroughly reviewed the completed Franchise Agreement, including the completed Schedules and Exhibits attached thereto;

WHEREAS, we have recommended that you thoroughly review the Franchise Agreement, this Agreement and all exhibits and schedules to the Franchise Agreement with a lawyer selected and hired by you;

WHEREAS, you represent to us that you are either: (a) an Owner of Franchisee such that you own or control a legal, equitable or beneficial ownership or equity interest in Franchisee and/or otherwise meet the definition of an “Owner” as set forth in this Agreement; and/or that you are (b) the “Spouse” of an Owner of Franchisee;

WHEREAS, you acknowledge that this Agreement will apply to you individually, jointly and severally with all other individuals who sign this Agreement (including if this Agreement is signed in counterparts or electronically among other Owners and Spouses);

WHEREAS, you acknowledge that this Agreement personally obligates you, among other things, to guarantee Franchisee’s payment, performance, and legal obligations under the Franchise Agreement and that you enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee; and

WHEREAS, you acknowledge that we are relying on this Agreement and that without this Agreement we would not have entered into and/or would not be entering into the Franchise Agreement with Franchisee or, if applicable, approving the transfer of the Franchise Agreement and/or the replacement or substitution of an owner of Franchisee.

NOW THEREFORE, to induce us to enter into the Franchise Agreement and as consideration to us for entering into the Franchise Agreement with Franchisee and other consideration, the receipt and sufficiency of which you acknowledge, you agree as follows:

1. Recitals and Representations

You agree that the foregoing Recitals and Representations are true and accurate and constitute a material part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions

Supplementing the terms and definitions contained in the Recitals and Representations:

“**Approved Products and Services**” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean those products and services that we authorize for sale by Playa Bowls Shops. We shall exclusively designate and determine the Approved Products and Services and we, in our Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Products and Services that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Products and Services.

“**Business Management System**” means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by us, in our Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not limited to, the day-to-day sales, ordering, operations and management of the Franchised Business.

“**Business Management System Data**” means the forms, data, tools, customer information, inventory and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered (whether by us or Franchisee) into the Business Management System utilized by Franchisee; and/or (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of the Franchised Business.

“**Competitive Business**” means any business that (i) is the same as or similar to a Playa Bowls Shop (including traditional shops and outlets, mobile kiosks, food trucks, and/or non-traditional outlets); and/or (ii) offers, sells, and/or provides acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, fruit bowls, smoothies, and/or juices.

“**Confidential Information**” means all of our and/or our affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, recipes, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Playa Bowls Shops; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Playa Bowls Shops; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Playa Bowls Shops; (d) customer lists and information related to Playa Bowls Shops and the Franchised Business; (e) Business Management System Data; (f) recipes; (g) current and future information contained in the Operations Manual; and (h) Know-How.

“**Copyrights**” means all works and materials for which we or any affiliate of ours has secured common law or registered copyright protection and we utilize and/or allow Playa Bowls Shop franchisees to use, sell or display in connection with the development, marketing and/or operation of a Playa Bowls Shop, whether as of the Effective Date or any time in the future.

“**Corporate Entity**” means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

“**Digital Media**” means any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to, a Playa Bowls Shop, the Franchised Business, the Licensed Marks, the System and/or us. Digital Media includes the System Website, and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“**Effective Date**” refers to the “Effective Date” of the Franchise Agreement as the term “Effective Date” is set forth and defined in the Franchise Agreement. If, for any reason, the Effective Date cannot be determined by reference to the Franchise Agreement, the Effective Date shall be the date that you sign this Agreement.

“**Franchised Business**” shall have the meaning defined in the “Recitals” section of this Agreement and shall further mean the Playa Bowls Shop to be developed, owned and operated by Franchisee pursuant to the terms of the Franchise Agreement.

“**Franchisee’s Designated Territory**” means the “Designated Territory” as such term is set forth and defined in the Franchise Agreement.

“**Franchisee’s Shop Facility**” means the Shop Facility from which Franchisee establishes, operates and manages the Franchised Business.

“**Franchisee’s Shop Location**” means the location of Franchisee’s Shop Facility, from which Franchisee operates the Franchised Business.

“**Immediate Family**” means the spouse of a person and any other member of the household of such person, including, without limitation, children of such person.

“**Intellectual Property**” means, individually and collectively, our Licensed Marks, Copyrights, Know-How, and System.

“**Know-How**” refers to means our trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Playa Bowls Shop including, but not limited to, methods, techniques, recipes, specifications, food preparation, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

“**Licensed Marks**” means the trademarks, service marks, emblems and indicia of origin, including the “Playa Bowls” trademark, the Playa Bowls logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by us in connection with the identification of Playa Bowls Shops and the Approved Products and Services, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by us in our Reasonable Business Judgment.

“Operations Manual” means, individually and collectively, the manual(s) designated by us and relating to the development and/or operations of Playa Bowls Shops including, but not limited to, the policies, procedures and requirements for the development and operation of Playa Bowls Shops. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by us from time to time in our Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to our modification from time to time and based on our Reasonable Business Judgment, the Operations Manual shall, among other things, designate the Approved Products and Services that must be offered and sold by the Franchised Business.

“Owner” means collectively, individually, jointly and, as of the Effective Date: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee and/or in any Corporate Entity that maintains an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s).

“Playa Bowls Shop(s)” shall have the meaning defined in the Recitals and Representations section of this Agreement and, without limitation to the Recitals and Representations section of this Agreement, the definition of “Playa Bowls Shops”, shall further include, refer to and mean: every business and all businesses owned and/or operated by us, our affiliates and/or our authorized franchisee(s) that utilize and/or is/are required to utilize the System and/or Licensed Marks including, but not limited to, the Franchised Business.

“Prohibited Activities” means any or all of the following: (a) owning and/or having any legal or equitable interest (whether as an individual proprietor or as an owner, partner, member or shareholder of a Corporate Entity or, in any similar capacity) in a Competitive Business (other than owning an interest of 3% or less in a publicly traded company that is a Competitive Business); (b) operating, managing, funding and/or performing services (whether as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or in any similar capacity) for a Competitive Business; (c) diverting or attempting to divert any business or customers from us (or one of our affiliates or franchisees); and/or (d) inducing any customer or client of ours (or of one of our affiliates or franchisees) or of Franchisee to any other person business that is not a Playa Bowls Shop.

“Reasonable Business Judgment” refers to our business judgment and means and relates to any and all decisions, actions and choices made by us concerning or relating to this Agreement, the Franchise Agreement, the System, Playa Bowls Shops, Franchisee’s Shop Location, and/or the Franchised Business where we undertake or make such decision with the intention of benefitting or acting in a way that could benefit the System including, as examples and without limitation, enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining designated territory markets, minimizing potential customer confusion as to the location of Playa Bowls Shops, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination, action and/or choice is made by us in our Reasonable Business Judgment that such decision, determination, action or choice made by us shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by us in our Reasonable Business Judgment that: (a) we possess a legitimate interest in seeking to maximize our profits; (b) we shall not be required to consider

Franchisee's individual economic or business interests as compared to the overall System; and (c) should we economically benefit from such decision, determination, action and/or choice that such economic benefit to us shall not be relevant to demonstrating that we did not exercise reasonable business judgment with regard to our obligations under the Franchise Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee's or such third party's judgment for our Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge our Reasonable Business Judgment in any legal proceeding that Franchisee shall possess the burden of demonstrating, by clear and convincing evidence, that we failed to exercise our Reasonable Business Judgment.

“Restricted Period” means the 24 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee, in compliance with the terms of the Franchise Agreement, assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you, in compliance with the terms of the Franchise Agreement, cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which your Spouse, in compliance with the terms of the Franchise Agreement, ceases to be an Owner of Franchisee. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the 18 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee, in compliance with the terms of the Franchise Agreement, assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you, in compliance with the terms of the Franchise Agreement, cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee the date on which your Spouse, in compliance with the terms of the Franchise Agreement, ceases to be an Owner of Franchisee.

“Restricted Territory” means the geographic area: (a) comprising Franchisee's Designated Territory; (b) within a 25 mile radius surrounding Franchisee's Designated Territory or, if Franchisee is not granted a designated territory, then a 25 mile radius surrounding Franchisee's Shop Location; (c) within a 10 mile radius surrounding the Shop Locations for all other Playa Bowls Shops operating and/or under development as of the Effective Date; and (d) within a 10 mile radius surrounding the Shop Locations for all other Playa Bowls Shops that are in operation or under development during all or any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within Franchisee's Designated Territory plus a 25 mile radius surrounding Franchisee's Designated Territory or, if Franchisee is not granted or designated a designated territory, then a 25 mile radius surrounding Franchisee's Shop Location.

“Shop Facility” means the fixed commercial shop facilities including, the fixtures and improvements, from which Playa Bowls Shops are established, operated and managed.

“Shop Location(s)” means the location(s) from which Playa Bowls Shops are established, operated and managed.

“Spouse” means, as of the Effective Date, the legal spouse of an Owner.

“**System**” means our system for the development, establishment and operation of Playa Bowls Shops including, but not limited to: (a) the Approved Products and Services, System Supplies and services, procedures and systems that are designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Playa Bowls Shop; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Playa Bowls Shop; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by us in our Reasonable Business Judgment.

“**System Supplies**” means, as designate by us, those ingredients, food products, beverages, packaging materials, and supplies including, but not limited to, acai, pitaya, mango, coconut, granola, juices, and toppings, used to prepare menu items and Approved Products and Services, and, as designated by us, all other supplies and equipment including, but not limited to, branded packaging, paper goods, materials, uniforms, displays, menu boards, merchandise, furniture, fixtures, and equipment designated by us in the Operations Manual and as may be modified and supplemented by us from time to time in our Reasonable Business Judgment, as being required for the development and operation of the Franchised Business.

“**System Website**” means the web page and/or pages located on the world wide web at the www.playabowls.com URL (uniform resource locator) and shall further include all webpages and subdomains that are a part of www.playabowls.com, or as designated by us as being associated with the URL of www.playabowls.com and/or Playa Bowls Shops.

“**Trade Dress**” means the Shop designs, images, marketing materials, packaging, branding and/or branding images which we authorize and require Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by us from time to time.

“**Transfer**” means a transfer, sale and/or assignment whether legally, equitably or otherwise.

3. Additional Acknowledgments by You. The Recitals and Representations set forth in the beginning of this Agreement are hereby incorporated into this Agreement and are affirmed and agreed to by you. In addition to the foregoing, you represent, acknowledge, and agree that:

- (a) as of the Effective Date you are an Owner and/or Spouse;
- (b) you are signing this Agreement in your individual capacity and that you are bound to the terms and conditions of this Agreement and irrespective of any change in your status as an Owner and/or Spouse;
- (c) in your capacity as an Owner of Franchisee or as the Spouse of an Owner of Franchisee that you have and may be gaining access to, among other things, the System and Intellectual Property;
- (d) all of the components and aspects of the System and Intellectual Property (both individually and as they relate to one another collectively) are critical to our success as the franchisor of the System and to the overall System;
- (e) we need to protect the System and Intellectual property and that to do so we require that you, in your individual capacity, to agree to the brand protection, non-competition and other covenants and

restrictions contained in this Agreement and that you personally guarantee the financial and other obligations of Franchisee to us; and

(f) the terms of this Agreement are fair and reasonable and that you have elected, based on your own decision, to enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee.

4. Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions.

(a) Know-How. You agree that: (i) you will not use the Know-How in any business or capacity other than the Franchised Business; (ii) you will maintain the confidentiality of the Know-How at all times; (iii) you will not make unauthorized copies of documents containing any Know-How; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-How; and (v) you will stop using the Know-How immediately if you are no longer an Owner of Franchisee or your Spouse is no longer an Owner of Franchisee, as applicable. You will not use the Intellectual Property for any purpose other than the development and operation of the Franchised Business pursuant to the terms of the Franchise Agreement and Operations Manual. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same.

(b) Non-Competition During Franchise Relationship. Subject to the terms and conditions of Article 5 of this Agreement, below, you represent and agree that while you are an Owner of Franchisee or while your Spouse is an Owner of Franchisee (as applicable) that you will not engage in any Prohibited Activities. You agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm us and the System.

(c) Non-Competition After Franchise Relationship. You represent, acknowledge and agree that during the Restricted Period you will not engage in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers/clients who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach). You agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm us and the System.

(d) Confidentiality Restrictions. You represent, acknowledge and agree that, at all times you: (i) shall not use the Confidential Information in any business or capacity other than the Franchised Business; (ii) shall maintain the confidentiality of the Confidential Information; (iii) shall not make unauthorized copies of documents containing any Confidential Information; (iv) shall take such reasonable steps as we may ask of you and/or Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; (v) shall immediately and permanently stop using the Confidential Information upon the expiration or termination of the Franchise Agreement; (vi) shall immediately and permanently stop using the Confidential Information if you are no longer an Owner of Franchisee and/or the Spouse of an Owner; (vii) shall immediately and permanently stop using the Confidential Information upon Franchisee's Transfer of the Franchise Agreement; and (viii) shall not disclose the

Confidential Information to any third party except in a legal proceeding pursuant to an order of a court of competent jurisdiction and after affording us no less than 15 business days prior notice and an opportunity for us, at our election, to appear in such action.

(e) Immediate Family Members. You acknowledge that should you circumvent the purpose and protections (due to us) of this Agreement by disclosing Know-How to an immediate family member (*i.e.*, parent, sibling, child, or grandchild) we will and the System will be irreparably harmed. You acknowledge that if you did disclose the Know-How to an immediate family member and your immediate family member used the Know-How to engage in activities that, for you, qualify as Prohibited Activities as defined above, that we and the System will be irreparably harmed. You agree that as between you and us that you are in a better position to know if you permitted and/or provide an immediate family member with access to the Know-How. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-How. However, you may rebut this presumption by providing evidence conclusively demonstrating that you did not disclose the Know-How nor permit disclosure of the Know-How to the family member.

(f) Reasonableness of Covenants and Restrictions. You agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You waive any right to challenge the terms of this Agreement as being overly broad, unreasonable or otherwise unenforceable.** Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area, we may at any time unilaterally modify the terms of this Article 4 (Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Article 4 to ensure that the terms are enforceable under applicable law.

(g) Breach. You agree that failure to comply with these Article 4 Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions will cause irreparable harm to us and/or other Shop franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

5. Transfer Restrictions and Non-Competition Covenants and Restrictions.

Notwithstanding anything contained in this Agreement to the contrary, you agree that if you are an Owner, and/or the Spouse of an Owner, that, prior to Transferring an Owner's equity and/or ownership interests in Franchisee that, among other things, Franchisee must notify us and obtain our written consent. Likewise, you agree that under the Franchise Agreement that prior to Franchisee's Transfer of the Franchise Agreement, among other things, Franchisee must notify us and obtain our written consent. For our protection and to prevent the subversion of the non-competition covenants contained in Article 4 of this

Agreement and, to induce us to enter into the Franchise Agreement with Franchisee, you agree, that:

(a) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(b) if you are a Spouse, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(c) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement; and

(d) if you are the Spouse of an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement.

6. Personal Guaranty of Franchise Agreement and Financial Obligations.

To secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours (collectively the "Ancillary Agreements") you individually, jointly and severally, and personally and unconditionally:

(a) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Franchise Agreement;

(b) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Ancillary Agreements;

(c) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us pursuant to the terms of the Franchise Agreement including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement;

(d) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us and/or our affiliates under the Ancillary Agreements;

(e) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Franchise Agreement including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement; and

(f) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Ancillary Agreements.

You waive: (a) acceptance and notice of acceptance by us of the foregoing undertakings; (b) notice of demand for payment of any indebtedness guaranteed; (c) protest and notice of default to any party with respect to the indebtedness guaranteed; (d) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

You agree that: (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Franchise Agreement and the Ancillary Agreements upon demand if Franchisee fails or refuses punctually to do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we 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 shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of each of the Franchise Agreement and the Ancillary Agreements and following the termination, expiration or Transfer of each of the Franchise Agreement and the Ancillary Agreements to the extent any financial obligations under any such Franchise Agreement and Ancillary Agreements survive such termination, expiration or Transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Franchise Agreement and/or and Ancillary Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

7. Arbitration, Consent to Jurisdiction and Venue, and Cross-Default.

Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures set forth in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures set forth in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement shall prevail. Without limitation to the foregoing, you agree that:

(a) Arbitration – Except, at our option, as to any claims or disputes related to or concerning a breach of this Agreement by you that may entitle us to the award of injunctive relief, you agree that any and all disputes, controversies, and claims, arising from and/or related to this Agreement, shall be submitted to the American Arbitration Association (“AAA”) for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with the AAA’s then current rules for commercial disputes,

except as may be otherwise required in this Agreement. All arbitration proceedings shall be conducted in Monmouth County, New Jersey or, if suitable AAA facilities are not available in Monmouth County, New Jersey then at a suitable AAA location selected by the arbitrator that is located closest to Monmouth County, New Jersey.

In connection with binding arbitration, you agree that:

- (i) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;
- (ii) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;
- (iii) The arbitrator shall render written findings of fact and conclusions of law;
- (iv) Except as may be otherwise required and/or prohibited by this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid; and
- (v) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(b) Consent to Jurisdiction and Venue – You agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within New Jersey and within Monmouth County or the county closest to Monmouth County. You do hereby irrevocably consent to and waive any objection to such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, you agree that we, at our election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking our enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where you reside.

(c) Acknowledgment as to Cross-Default – You agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us, among other things, to terminate the Franchise Agreement in accordance with the terms thereof.

8. Miscellaneous.

(a) If either party hires an attorney or file suit against the other party in relating to and alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

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

(c) Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

(d) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the

court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

IN WITNESS WHEREOF, each undersigned has executed this Agreement as of the dates set forth below.

Owner / Spouse:

Owner / Spouse:

Signature of Owner / Spouse

Signature of Owner / Spouse

Name (please print individual name)

Name (please print individual name)

Date

Date

Signature of Owner / Spouse

Signature of Owner / Spouse

Name (please print individual name)

Name (please print individual name)

Date

Date



Franchise Agreement – Exhibit 2 Confidentiality Agreement

[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE]

CONFIDENTIALITY AGREEMENT (Sample Only)

This Agreement (the “Agreement”) is entered into by the undersigned (“you”) in favor of:

[Insert on the Line Below Name of Franchisee that Owns and Operates the Playa Bowls Franchised Business]

_____ (hereinafter referred to as “us”, “our” or “we”)

Recitals and Representations

WHEREAS, we are the owners of a licensed Playa Bowls shop (hereinafter referred to as the “Playa Bowls Shop”) that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a Playa Bowls Shop that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our franchisor, Playa Bowls Franchisor LLC is not a party to this agreement and does not own or manage the Playa Bowls Shop but is an intended third party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the Playa Bowls Shop.

NOW THEREFORE, you acknowledge and agree as follows:

1. Recitals and Representations. You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

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

“Business Management System” refers to and means the software and/or internet or cloud based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the Playa Bowls Shop.

“Business Management System Data” refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the Playa Bowls Shop.

“Confidential Information” refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the Playa Bowls Shop; (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the Playa Bowls Shop; (c) customer lists and

information related to the Playa Bowls Shop; (d) Business Management System Data; (e) current and future information contained in the Playa Bowls Operations Manual made available to the Playa Bowls Shop by Playa Bowls Franchisor LLC; and (f) recipes, production, cooking, and service procedures that are not disclosed to the public but used by the Playa Bowls Shop.

“Digital Media” refers to and means any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, www.playabowls.com, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to, Playa Bowls Shops.

“Licensed Marks” refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a Playa Bowls Shop, including, but not limited to, the “Playa Bowls” word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a Playa Bowls Shop.

“Operations Manual” refers to and means the confidential Operations Manual made available to the Playa Bowls Shop by our franchisor or as otherwise designated by us. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced, or supplemented.

“Trade Dress” refers to and means the Playa Bowls designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the Playa Bowls Shop.

3. Your Access to Confidential Information. In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the Playa Bowls Shop that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

4. Protection of the Confidential Information. You agree that: (i) you will not use the Confidential Information in any business or capacity other than the Playa Bowls Shop; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

5. Reasonableness of Covenants and Restrictions. You agree that: the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable or otherwise unenforceable.**

6. Breach. You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our franchisor Playa Bowls Franchisor LLC, and other Playa Bowls franchisees for which there

is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our Franchisor Playa Bowls Franchisor LLC to injunctive relief. You agree that we and/or our Franchisor Playa Bowls Franchisor LLC may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

7. Miscellaneous.

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

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

(c) YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.

(d) YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, PLAYA BOWLS FRANCHISOR LLC, IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD PARTY BENEFICIARY OF THIS AGREEMENT.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

Individual Signature of Restricted Party

Individual Signature of Restricted Party

Name (please print)

Name (please print)

Date: _____

Date: _____



Franchise Agreement – Exhibit 3
Site Selection Acknowledgment



Playa Bowls

SITE SELECTION ACKNOWLEDGMENT

(THIS DOCUMENT DOES NOT CONSTITUTE THE APPROVAL OF A SHOP LOCATION, DOES NOT GRANT OR DESIGNATE A DESIGNATED TERRITORY AND DOES NOT GRANT ANY TERRITORIAL RIGHTS)

Date of this Acknowledgment: _____ (the “Site Selection Acknowledgment Date”)

Pursuant to and subject to the terms of the Franchise Agreement dated _____ by and between Playa Bowls Franchisor LLC, as Franchisor, and _____, as Franchisee (the “Franchise Agreement”), Franchisee has identified a potential area in which Franchisee may seek to identify a potential shop location for Franchisee’s Playa Bowls Shop. Based on Franchisee’s request, Franchisor agrees that during the limited period of time that commences on the Site Selection Acknowledgment Date and automatically expires 180 calendar days after the Site Selection Acknowledgment Date, that Franchisor shall not grant to any third party the license or right to establish a Playa Bowls Shop Location within the following geographic area constituting the Site Selection Area, as such term is defined in the Franchise Agreement:

Site Selection Area: [Must be completed by Franchisor]

The terms contained in this Site Selection Acknowledgment shall have the meaning set forth in the Franchise Agreement including, but not limited to Article 1 and Article 2 of the Franchise Agreement. In the event of any inconsistency or conflict between this Site Selection Acknowledgment and the terms of the Franchise Agreement, the terms of the Franchise Agreement shall take precedence and govern. If Franchisor does not complete the Site Selection Acknowledgment Date and sign this Site Selection Acknowledgment then this Site Select Addendum shall not be effective and there shall be no Site Selection Area. As set forth in the Franchise Agreement, among other things, A SITE SELECTION AREA IS NOT A DESIGNATED TERRITORY, DOES NOT CONSTITUTE THE APPROVAL AS TO ANY SHOP LOCATION AND DOES NOT AFFORD FRANCHISEE ANY TERRITORIAL RIGHTS.

Franchisor:
Playa Bowls Franchisor LLC

By: _____
Signature

Name and Title (please print)

Dated



Franchise Agreement – Exhibit 4
Lease Agreement Rider



Playa Bowls
LEASE AGREEMENT RIDER

(for the benefit of Playa Bowls Franchisor LLC and its assigns)

THIS RIDER TO LEASE (“Rider”) does hereby supplement, modify and amend the terms of the lease agreement (the “Lease”) dated _____ by and between _____, a _____ with a principal place of business located at _____ (the “Landlord”) and _____, a _____ with a principal place of business located at _____ (the “Tenant”).

WHEREAS, the lease relates to the following commercial premises (the “Leased Premises”):

WHEREAS, Playa Bowls Franchisor LLC (the “Franchisor”) is the franchisor of the Playa Bowls franchise system (the “Playa Bowls Franchise System”);

WHEREAS, Franchisor’s mailing and notice address (the “Notice Address”) is 803 Ocean Avenue, Belmar, New Jersey 07719.

WHEREAS, The Playa Bowls Franchise System relates to and includes fast-causal shops featuring acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, smoothies, juices, and other healthy menu items and other menu items that the Franchisor authorizes under the “Playa Bowls” name and marks (the “Intended Use”);

WHEREAS, Tenant is a franchisee of Franchisor pursuant to the terms of a Franchise Agreement entered into between Franchisor and Tenant (the “Franchise Agreement”) and the Leased Premises is to be used and operated by Tenant for the purpose of developing, establishing and operating a Playa Bowls Shop in accordance with the Playa Bowls franchise system; and

WHEREAS, Franchisor and Franchisor’s successors and assigns (collectively referred to as “Franchisor”) is/are intended third party beneficiaries of this Rider.

NOW THEREFORE, Landlord and Tenant acknowledge and agree to the following:

1. This Rider supplements and amends the Lease. In the event of any inconsistency or conflict between the terms of this Rider and the Lease, the terms of this Rider shall prevail. Landlord and Tenant acknowledge that the rights set forth in this Rider may not be reduced, modified or altered without the express written consent of Franchisor.

2. Landlord and Tenant both agree that Tenant shall not be permitted to transfer, sublease, encumber and/or otherwise assign Tenant’s interests in the Lease and/or the Leased Premises without the prior written consent of Franchisor. Without limitation to the foregoing, among other things, Tenant agrees that if Tenant wishes to transfer any interests in the Lease or the Leased Premises that Tenant must request the written consent of Franchisor. If Tenant requests Landlord’s consent to Tenant’s amendment, transfer and/or

assignment of Tenant's interests in the Lease and/or the Leased Premises and if Landlord is inclined to approve of such amendment, transfer and/or assignment that Landlord shall condition Landlord's approval upon Tenant also obtaining written consent from Franchisor.

3. Upon the occurrence of (a) the termination, for any reason, of the Franchise Agreement; (b) the expiration, without renewal, of the Franchise Agreement; (c) Franchisor's exercise of Franchisor's Right of First Refusal granted to Franchisor in the Franchise Agreement; (d) Tenant's default under the terms of the Lease; and/or (e) Tenant's failure to exercise an option period under the terms of the Lease, Tenant and Landlord acknowledge and agree, that:

Franchisor will have the option, but not the obligation, to assume or renew the Lease and the occupancy of the Leased Premises, including the right to sublease to another Franchisee of the Playa Bowls Franchise System, for all or any part of the remaining term of the Lease and, in connection with said assumption, Franchisor will not be obligated to pay to Landlord more than two months past due rent, real estate taxes and common area maintenance charges. In the event Franchisor assumes Tenant's leasehold interest in the Lease pursuant to the terms of this Agreement and subsequently assigns the Lease and its leasehold interest to a Playa Bowls franchisee approved by Landlord, Franchisor shall not be responsible for any obligations, debts, liabilities or payments arising and/or accruing under the Lease after the effective date of such assignment. Landlord agrees that any assignment of the Lease and Tenant's leasehold interests in the Lease by Tenant to Franchisor and/or assumption by Franchisor of the Lease and such leasehold interests shall not require Landlord consent and shall not require any payment of any assignment fee or similar charge or result in any increase in rent or other fees as a result of such assignment and/or assumption.

4. Landlord must provide Franchisor, at the same time that Landlord provides Tenant, with a copy of all lease amendments and assignments, and a copy of all letters and notices that Landlord sends to Tenant relating to the Lease or the Premises. Subject to the rights set forth in Section "3" of this Rider, Landlord agrees to notify Franchisor by nationally recognized overnight courier at the Notice Address of any default by Tenant under the Lease. Landlord agrees that such notice shall afford Franchisor the option for Franchisor to invoke a cure period whereby Franchisor, upon Franchisor's sole election, shall be granted an additional 15 day period to cure any monetary default by Tenant under the Lease and an additional 30 day period to cure any non-monetary default by Tenant under the Lease. In the event that the non-monetary default cannot reasonably be cured within such period and if diligent efforts to cure promptly commence, then the cure period shall continue as long as such diligent efforts to cure continue, but not beyond 180 days from the date notice is provided.

5. Upon expiration and non-renewal or termination of the Lease or the Franchise Agreement, Franchisor shall have the right, upon notice to Landlord, to enter the Premises and remove any interior and exterior signs containing Franchisor's trademarks and trade fixtures. Landlord further agrees that Franchisor's rights to any such signs or fixtures shall be superior to any rights Landlord may have to such signs or fixtures (by lien or otherwise) set forth in the Lease or otherwise.

6. Landlord and Tenant acknowledge and agree that Franchisor is an intended third party beneficiary of this Rider and that Franchisor may bring an action to enforce Franchisor's rights under this Rider and in and to the Lease and the Leased Premises. Franchisor makes no representations or warranties regarding this Rider or in connection with the Lease and Franchisor's approval of Tenant's Lease only indicates that the proposed Lease meets Franchisor's minimum criteria, and the parties agree that Franchisor's approval or disapproval of the Lease will not impose any liability or obligation on Franchisor. Tenant must have a competent real estate attorney review the Lease, at Tenant's expense.

7. Upon request of Franchisor, the Landlord will subordinate any lien and/or security interest in Tenant's property to the security interest of Franchisor.

Landlord:

Tenant:

Signature

Signature

Name and Title (please print)

Name and Title (please print)

Dated

Dated



Franchise Agreement – Exhibit 5
Collateral Assignment of Lease



COLLATERAL ASSIGNMENT OF LEASE

(for the benefit of Playa Bowls Franchisor LLC and its assigns)

For Value Received, the undersigned (“Assignor”) hereby assigns and transfers to Playa Bowls Franchisor LLC (“Assignee”), all of Assignor’s right, title and interest as tenant in, to and under a certain lease, a copy of which is attached hereto as Exhibit “A” (the “Lease”) for the following premises (the “Leased Premises”):

This Assignment is for collateral purposes only and except as may be otherwise expressly stated and specified herein under no circumstance shall Assignee have any liability or obligation under the Lease and/or Leased Premises, unless: (a) Assignee provides an express written statement that is addressed to Assignor and the landlord for the Leased Premises, is delivered by Assignee to Assignor and the landlord for the Leased Premises, is signed by an officer of Assignee, and that expressly states that Assignee is assuming all rights and interests in and to the Lease pursuant to this Assignment; and (b) Assignee takes possession of the Leased Premises pursuant to the terms hereof, and Assignee assumes the obligations of Assignor under the Lease.

Assignor represents that Assignor possesses full power and authority to enter into this Assignment and that at no time prior to executing this Assignment has Assignor assigned and/or transferred Assignor’s interests and/or rights in or to the Lease and/or the Leased Premises.

Assignee has the right and possesses full power and authority to take possession of the Leased Premises, to eject and expel Assignor from possession and occupancy of the Leased Premises and to terminate Assignor’s right, title and interest in and to the Lease in the event of: (a) a default by Assignor under the terms of the Lease and Assignor’s failure to timely cure such default, assuming that such default is capable of curing; (b) a default by Assignor (in Assignor’s capacity as a Playa Bowls Shop franchisee) under the terms and conditions of the Playa Bowls Shop Franchise Agreement between Assignor, as franchisee, and Assignee, as franchisor (the “Franchise Agreement”), and Assignor’s failure to timely cure such default, assuming that such default is capable of curing; (c) upon default of any agreement supporting or guaranteeing the Franchise Agreement; or (d) the expiration or termination of the Franchise Agreement.

Assignor agrees that Assignor will not and shall not permit, grant or suffer any termination, surrender or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement, Assignor shall elect and exercise all options to extend the term of or renewal of the Lease not less than 120 days prior to the last day that the option must be exercised unless Assignee otherwise agrees in writing. Should Assignor fail to comply with the foregoing, Assignor does hereby appoint Assignee (subject to Assignee’s acceptance and invocation of such right) to act on behalf of Assignor for the purpose of effectuating extensions and renewals of the Lease.

Assignor:

Signature

Name and Title (please print)

Dated

NOTARY SIGNATURE, SEAL AND INFORMATION: On _____ before me, the undersigned, personally appeared _____ personally known to me or proven to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Signature and Seal



Franchise Agreement – Exhibit 6
Assignment of Telephone Numbers and Digital Media Accounts



ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS

(for the benefit of Playa Bowls Franchisor LLC and its assigns)

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS (the “Assignment”) is entered into between _____ (the “Assignor”) and Playa Bowls Franchisor LLC and its successors and assigns (the “Assignee”).

WHEREAS, Assignee is the franchisor of the Playa Bowls Shop franchise system (the “Playa Bowls Shop Franchise System”);

WHEREAS, Assignor, as franchisee, and Assignee, as franchisor, are parties to a Playa Bowls Shop Franchise Agreement (the “Franchise Agreement”);

WHEREAS, the term “Digital Media” shall refer to and mean any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to a Playa Bowls Shop, Playa Bowls Shops, Assignor’s Playa Bowls Shop and/or trademarks associated with the Playa Bowls Shop, the Playa Bowls Shop Franchise System and/or Assignee; and

WHEREAS, in connection with Assignor’s establishment and operation of a Playa Bowls Shop, Assignor will be utilizing accounts, information, phone numbers and Digital Media subject to strict requirements set forth in the Franchise Agreement.

NOW THEREFORE, Assignor, in exchange for good and valuable consideration provided and paid by Assignee (receipt of which is hereby acknowledged), agrees:

1. That Assignor does hereby assign to assignee all telephone numbers, facsimile numbers, listings, domain names and Digital Media that is associated with Assignor’s Playa Bowls Shop including, the following (all collectively referred to as the “Media”):

- (a) All phone numbers, facsimile numbers and listings that are currently, or in the future, associated with Assignor’s Playa Bowls Shop;
- (b) The following telephone and facsimile numbers:

_____ ; and
- (c) All Digital Media, all Digital Media accounts and all Digital Media log-in information.

The foregoing shall not be construed and/or interpreted as Assignees acknowledgment and/or agreement that Assignor owns and/or possesses any ownership interests in the foregoing telephone numbers, accounts

and/or Digital Media. Any and all rights of Assignor in and to same exist subject to a limited license pursuant to the Playa Bowls Shop Franchise Agreement which shall take precedence and govern. However, this Assignment is intended by Assignor and Assignee to be an instrument that may be relied upon by all third parties to authorize and permit the assignments and transfers set forth in this Assignment and to facilitate the transfer of accounts and media to within the control of Assignee. Nothing contained in this Assignment shall be used to construe nor imply that Assignor possesses any ownership interests or rights in the Digital Media and in the event of any inconsistency or conflict between this Assignment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

2. This Assignment will become effective automatically upon the termination or expiration of the Franchise Agreement for any reason. As to all third parties proof of the expiration or termination of the Franchise Agreement shall exist exclusively upon the written declaration of Assignee and Assignee's declaration shall be dispositive and not subject to challenge. Assignor acknowledges that all third parties may rely on this Assignment for the purpose of taking any and all actions to ensure that access to and control of the Media is maintained by Assignee.

UTILIZATION OF THIS ASSIGNMENT SHALL EXIST AT THE SOLE DISCRETION OF ASSIGNEE AND FOR THE SOLE BENEFIT OF ASSIGNEE.

Assignee:
Playa Bowls Franchisor LLC

Assignor:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated



Franchise Agreement – Exhibit 7
ACH Authorization Form



AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name

Business No.

Franchisee Mailing Address (street)

Franchisee Phone No.

Franchisee Mailing Address (city, state, zip)

Contact Name, Address and Phone Number (if different from above)

Franchisee Fax No.

Franchisee Email Address

Bank Account Information:

Bank Name

Bank Mailing Address (street, city, state, zip) Checking Savings

Bank Account No.

(check one)

Bank Routing No.

Bank Phone No.

Authorization:

Franchisee hereby authorizes Playa Bowls Franchisor LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____

Date: _____

Name: _____

Federal Tax TD No.: _____

Its: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT



Franchise Agreement – Exhibit 8
General Release (Form)

FORM OF GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE (the “Release”) is made as of _____ (the “Effective Date”) by:

(a) _____, a(n) _____, and _____, a(n) _____ (individually, jointly, severally, and collectively referred to as “Franchisee”), and

(b) if Franchisee is a Corporate Entity, the following individuals: _____, an individual residing at _____, and _____, an individual residing at _____ (individually, jointly, severally, and collectively referred to as the “Individual Guarantors”) (Franchisee and the Individual Guarantors, respectively, are hereinafter individually, jointly, severally, and collectively referred to as the “Releasor”),

In Favor of, Playa Bowls Franchisor LLC a New Jersey limited liability company with a principal address at 803 Ocean Avenue, Belmar, New Jersey 07719, and Playa Bowls Franchisor LLC’s predecessors, affiliates, successors, assigns, officers, directors, managers, employees, and agents (hereinafter individually, jointly, severally, and collectively referred to as the “Releasee”).

IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION FROM PLAYA BOWLS FRANCHISOR LLC AND/OR RELEASEE, AND WITH THE RECEIPT AND SUFFICIENCY OF SUCH CONSIDERATION BEING HEREBY ACKNOWLEDGED BY RELEASOR, RELEASOR DOES HEREBY, FOR ITSELF AND FOR RELEASOR’S SUCCESSORS AND ASSIGNS HEREBY RELEASE AND FOREVER DISCHARGE RELEASEE FROM:

Any and all claims including, but not limited to Franchise Claims (defined below), causes of action, violations, damages, actions, contracts, covenants, promises, judgments, suits, indebtedness, liabilities, accounts, and demands of every kind and nature (hereinafter all collectively referred to as the “Claims” or “Claim”), whether or not such Claims are presently known or unknown, disclosed or undisclosed, actual or potential, accrued or unaccrued and whether in law, admiralty, common law, or equity which against the Releasee, Releasor ever had, now has or hereafter can, shall or may, have for, upon, or by reason of any Claim, matter, cause or thing whatsoever from the beginning of the world to the Effective Date of this Release.

Without limitation to the foregoing, the definition of the term “Claims” or “Claim,” includes and, thereby this Release shall apply to, any and all claims, causes of action, violations, damages, actions, contracts, covenants, promises, judgments, suits, indebtedness, liabilities, accounts, and demands of every kind and nature, whether or not such Claims are presently known or unknown, disclosed or undisclosed, actual or potential, accrued or unaccrued, relating to and/or with regard to each and every violation and breach of any and all federal and state franchise laws, franchise rules, or franchise regulations, including those franchise laws, rules, and regulations that relate to and govern the offer or sale of franchises, the offer or sale of business opportunities, the terms of the Franchise Agreement, and the offer and sale of the franchise opportunity related to the Franchise Agreement (collectively, referred to as “Franchise Claims”).

This Release may not be changed orally.

This Release may be signed in counterparts, with each counterpart being binding against the party executing it and considered as an original.

This Release shall be interpreted in accordance with the laws of the State of New Jersey. In the event that any action or legal proceeding is commenced respecting or related to this Release or the enforceability of this Release, the prevailing party in such legal action or proceeding shall be entitled to the recovery of reasonable attorneys' fees.

IN WITNESS WHEREOF, the Releasor has hereunto set Releasor's hand and seal on the date set forth below.

Releasor:

Signature

Signature

Name (please print)

Name (please print)

Dated _____

Dated _____

Signature

Signature

Name (please print)

Name (please print)

Dated _____

Dated _____



Franchise Agreement – Exhibit 9
Food Truck Addendum

FOOD TRUCK ADDENDUM TO FRANCHISE AGREEMENT

Between Playa Bowls Franchisor LLC and _____

THIS FOOD TRUCK ADDENDUM TO FRANCHISE AGREEMENT is dated as of _____ (this “Addendum”) and does hereby modify the Playa Bowls Franchise Agreement dated _____ (the “Franchise Agreement”) by and between Playa Bowls Franchisor LLC, a New Jersey limited liability company, with an address of 803 Ocean Avenue, Belmar, New Jersey 07719 (“Franchisor”) and _____ (the “Franchisee”).

RECITALS

WHEREAS, Franchisee represents that Franchisee has developed and currently operates a Playa Bowls Shop pursuant to the terms of the Franchise Agreement;

WHEREAS, The Playa Bowls Shop is located at the following accepted Shop Location _____;

WHEREAS, Pursuant to the terms of the Franchise Agreement Franchisee’s Shop and, thereby, the Accepted Location is located with the Designated Territory set forth in the Franchise Agreement except that if the Franchise Agreement does not designate a Designated Territory, there is no Designated Territory;

WHEREAS, Franchisee acknowledges and agrees that pursuant to the terms of the Franchise Agreement, the Franchised Business and, thereby, Franchisee’s Playa Bowls Shop is a fixed location shop to be developed and operated by Franchisee at the Accepted Location and pursuant to the terms of the Franchise Agreement;

WHEREAS, for promotional purposes Franchisee has requested Franchisor’s consent authorizing and allowing Franchisee to develop and operate a Playa Bowls identified and branded food truck (the “Food Truck”) that promotes, offers, and sells a limited menu that, as designated by Franchisor may include acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, smoothies, juices, and other healthy menu items (the “Approved Products and Services”) in accordance with the terms of the Franchise Agreement, the System, and System standards and specifications that Franchisor may designate and modify from time-to-time in Franchisor’s discretion and as may be applicable to the Food Truck; and

WHEREAS, in connection with Franchisee’s request to develop and operate a Food Truck, Franchisor consents to Franchisee’s request subject to the terms and conditions of this Addendum.

NOW THEREFORE, Franchisee and Franchisor wish to modify the terms to the Franchise Agreement as follows:

- Addendum Governs.** Except as expressly provided herein, the terms and conditions of the Franchise Agreement will govern the relationship of the parties to this Addendum. To the extent that the terms of this Addendum are inconsistent with any of the terms or conditions of the Franchise Agreement, the terms of this Addendum shall take precedence and govern.
- Capitalized Terms.** Capitalized terms used but not defined in this Addendum shall have the meaning(s) given such term(s) in the Franchise Agreement.
- Food Truck Development and Operation.** The Food Truck must be developed in accordance with Franchisor’s specifications and requirements and must be purchased from Franchisor approved suppliers and vendors. At all times, the Food Truck must be operated in accordance with Franchisor’s System standards and requirements as such standards and requirements currently exist and as such standards and

requirements may be amended, modified, and/or supplemented from time-to-time in Franchisor's discretion. Without limitation to the foregoing, Franchisee and Franchisor further agree:

(a) Within the Franchise Agreement reference to the term "Franchised Business" and "Shop" shall also include the Food Truck as such term is defined in this Addendum but subject to the terms and conditions of this Addendum which shall take precedence and control as to any inconsistency related to the development and/or operations of the Food Truck;

(b) The Food Truck shall be developed and operated for the purpose of supporting and promoting Franchisee's Playa Bowls Shop;

(c) The Food Truck is not an additional and/or individual business and/or Franchise Business but, rather, an instrument for promoting the Shop within Franchisee's Designated Territory and subject to the requirements of this Addendum;

(d) The Food Truck cannot be operated, transferred and/or sold, independent of the Shop;

(e) The definition of "Gross Sales" set forth in Article 1 of the Franchise Agreement is supplemented to add the following sentence:

"Gross Sales shall further refer to, include, and mean the total selling price of all services and products and all income of every other kind and nature related to the Food Truck, whether for cash or credit and regardless of collection in the case of credit;"

(f) The Food Truck cannot be operated outside of Franchisee's Designated Territory and, even as to operations of the Food Truck within Franchisee's Designated Territory, the Food Truck must be operated at locations and/or events that are pre-approved by Franchisor in writing, and that meet Franchisor's standards and specifications and as Franchisor may reasonably modify those standards and specifications from time-to-time;

(g) To the extent that Franchisee wishes to operate the Food Truck – on a limited and temporary basis – at a location outside of Franchisee's Designated Territory, Franchisee must submit a written request to Franchisor which Franchisor may grant, conditionally grant, or reject in Franchisor's sole discretion for any reason or no reason at all;

(h) To the extent that Franchisee wishes to operate the Food Truck at a Non-Traditional Site located within Franchisee's Designated Territory, Franchisee must submit a written request to Franchisor which Franchisor may grant, conditionally grant, or reject in Franchisor's sole discretion for any reason or no reason at all;

(i) Without limitation to the foregoing, Franchisee acknowledges and agrees that there may be instances where Franchisor, in Franchisor's sole and absolute discretion, may prohibit Franchisee from operating Franchisee's food truck at locations within Franchisee's Designated Territory due to the proximity of the location to another Playa Bowls Shop and/or designated territory;

(j) Franchisee must insure the Food Truck in accordance with Franchisor's standards and specifications and name Franchisor an additional insured; and

(k) At all times Franchisee's development and operation of the Food Truck including, but not limited to, designated point of sale systems, use of point of sale systems, displays, orderings systems, tracking systems, mobile wifi / internet / 5G+ connections, and equipment must conform to Franchisor's then

current standards and specifications as set forth in the Operations and/or as communicated by Franchisor to Franchisee and as may be supplemented and/or modified from time-to-time.

4. **Safety and Operations.** Franchisee acknowledges and represents that Franchisee shall maintain the Food Truck in a safe, clean, and well maintained vehicle that meets all applicable safety standards, rules and regulations and acknowledges that it is Franchisee’s sole and exclusive obligation to safely maintain and operate the Food Truck.

5. **Sale and/or Disposal Food Truck and Franchisor’s Right of First Refusal.** Franchisee acknowledges and agrees that Franchisee shall not transfer, sell or dispose of the Food Truck and/or permit any third-party usage of the Food Truck without the express written consent of Franchisor which may be granted or withheld by Franchisor in Franchisor’s sole discretion. Without limitation to the foregoing, if Franchisee wishes to transfer, sell, license, lease, loan, and/or dispose of the Food Truck (a “Transaction”), Franchisee must first submit to Franchisor a written notice of the proposed Transaction (the “Notice”) and that for a period of 30 days after Franchisor’s receipt of the Notice which must include copies of all documentation required by Franchisor including information related to the Food Truck, ownership, licensing, registration, and other information related to the Transaction, Franchisor, at Franchisor’s sole election, may elect to accept and takeover, either directly and/or through an affiliate or third-party designee, the Transaction as the purchaser, transferee, assignee, and/or licensee. In the event that Franchisor elects to assume the Transaction, closing on such Transaction must occur within the latest of (a) 60 days from the date of Franchisor’s notice electing to assume the Transaction, (b) 60 days from the date Franchisor receives or obtains all necessary documentation, permits and approvals, or (c) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer.

If Franchisor elects to not invoke Franchisor’s right of first refusal or any other rights under this Agreement related to the Transaction, Franchisee agrees that Franchisor, in Franchisor’s sole discretion, may restrict and condition the Transaction based on terms and conditions required by Franchisor including, but not limited to, the complete de-identification of the Food Truck and that branded materials and/or equipment be resold to Franchisor at market rates that account for current market value, condition, wear and tear, and depreciation.

6. **Counterparts.** This Addendum may be executed in one or more counterparts, and by PDF or other electronic signature, each of which will be deemed to be an original copy of this Addendum and all of which, when taken together, will be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Addendum effective as of the day and year first above written.

Franchisor: Playa Bowls Franchisor LLC

Franchisee:

By: _____
Signature

By: _____
Signature

Name and Title (please print)

Name and Title (please print)

Dated

Dated



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT F
MULTI-UNIT DEVELOPMENT AGREEMENT



PLAYA BOWLS

MULTI-UNIT DEVELOPMENT AGREEMENT

FRANCHISEE:

Playa Bowls Multi-Unit Development Agreement

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Schedule

Schedule A Development Information Sheet



MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (the “Agreement”) is made and entered into on _____ (“Effective Date”), by and between Playa Bowls Franchisor LLC, a New Jersey limited liability company with a principal place of business located at 803 Ocean Avenue, Belmar, New Jersey 07719, (the “Franchisor”) and _____ (the “Franchisee”).

RECITALS

WHEREAS, Franchisor has developed a distinctive and proprietary system (the “System”) for the establishment, development and operation of a fast-casual shop featuring acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, smoothies, juices, and other healthy menu items (each, a “Franchised Business” or “Shop”);

WHEREAS, the System and, therefore, each Shop is identified by the Marks (defined below) and distinctive trade dress, service offerings, business formats, equipment, products, supplies, operating procedures, programs, methods, procedures, and marketing and advertising standards, all of which are part of the System and all of which Franchisor may modify from time to time;

WHEREAS, simultaneous or prior to the execution of this Agreement, Franchisor and Franchisee have entered into a Shop Franchise Agreement for Franchisee’s development and operation of a Shop (the “First Development Shop”) to be located within a territory located within the Development Area (defined below);

WHEREAS, Franchisee has requested the right to develop and operate multiple Shops (each a “Development Shop”) to be located with a defined geographical area (the “Development Area”) in accordance with a development schedule that must be strictly adhered to, with each Shop within the Development Area being opened and operating utilizing the Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor’s then current Franchise Agreement for Playa Bowls Shops (each, a “Franchise Agreement”); and

WHEREAS, Franchisee agrees that adherence to the terms of this Agreement, each and every Shop individual unit Franchise Agreement, Franchisor’s Operations Manual, and Franchisor’s System standards and specifications, are essential to the operation of all Playa Bowls Shops and the System as a whole.

NOW THEREFORE, the parties, in consideration of the mutual undertakings and commitments of each party set forth herein, agree, as follows:

SECTION 1 DEFINITIONS

Supplementing the definitions contained in the Recitals, above, the following terms will have the meaning as defined below:

“**Abandonment**” means the conduct of the Franchisee, including acts of omission as well as commission, indicating the willingness, desire or intent of the Franchisee to discontinue the

development and/or operation of the Playa Bowls Shops in the Development Area in accordance with the terms of this Agreement.

“**Affiliates**” means individually or collectively, any and all entities controlling, controlled by, or under common ownership with Franchisor.

“**Corporate Entity**” means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

“**Cumulative Development Shops**” shall, respectively, have the meaning defined and set forth in Section 4.4 of this Agreement.

“**Development Area**” shall have the meaning set forth in the Recitals and as further defined and set forth in Section 2.1 of this Agreement.

“**Development Area Fee**” shall have the meaning defined and set forth in Section 4.1 of this Agreement.

“**Development Information Term Sheet**” means the Development Information Term Sheet attached to this Agreement as Schedule A.

“**Development Period**” shall, respectively, have the meaning defined and set forth in Section 4.4 of this Agreement.

“**Development Shop**” shall have the meaning set forth in the Recitals and as further defined and set forth in Section 2.1 of this Agreement.

“**Development Shop Initial Franchise Fee**” shall have the meaning defined and set forth in Section 4.2 of this Agreement.

“**Development Obligations**” shall have the meaning defined and set forth in Section 2.1 of this Agreement.

“**Development Schedule**” shall have the meaning defined and set forth in Sections 4.4 of this Agreement.

“**Effective Date**” shall be the date set forth, defined and referred to in the first paragraph of this Agreement.

“**First Development Shop**” shall have the meaning set forth in the Recitals and shall further refer to and mean the Shop to be developed by Franchisee as the first Development Shop to be developed and operated by Franchisee within the Development Area.

“**Franchise Agreement**” shall have the meaning set forth in the Recitals and shall further refer to and mean Franchisor’s individual unit Playa Bowls Shop Franchise Agreement as designated and determined by Franchisor from time to time.

“**Marks**” means such service marks, trademarks, trade dress, trade names, logos, commercial symbols and all configurations and derivations thereof, as may presently exist, or which may be modified, changed, or acquired by Franchisor or Franchisor’s affiliates, in connection with the operation of Shops.

“Newly Opened Development Shop(s)” shall, respectively, have the meaning defined and set forth in Section 4.4 of this Agreement.

“Operations Manual” means, individually and collectively, the manual(s) designated by Franchisor and relating to the development and/or operations of Playa Bowls Shops including, but not limited to, the policies, procedures and requirements for the development and operation of Playa Bowls Shops. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to Franchisor’s modification from time to time and based on Franchisor’s Reasonable Business Judgment, the Operations Manual shall, among other things, designate the Approved Products and Services that must be offered and provided by the Franchised Business.

“Owner” means collectively, individually and jointly: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee as of the Effective Date; (b) the managing member(s) or manager(s) of Franchisee as of the Effective Date, if franchisee is a limited liability company; and (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee as of the Effective Date and/or of any entity directly or indirectly controlling Franchisee.

“Playa Bowls Shop(s)” shall have the meaning defined in the Recitals section of this Agreement and, without limitation to the Recitals section definition of “Playa Bowls Shops”, shall further include, refer to and mean: every business and all businesses owned and/or operated by Franchisor, Franchisor’s affiliates and/or authorized franchisee(s) that utilize and/or is/are required to utilize the System and/or Licensed Marks including, but not limited to, the Franchised Business.

“Shop” shall have the meaning set forth in the Recitals and shall refer to all Shops operating under the System and Marks, whether owned by us or any Affiliate, or licensed or franchised by us or any Affiliate.

“Shop Location(s)” means the fixed locations from which Playa Bowls Shops are established, operated and managed.

“System” means Franchisor’s distinct and proprietary business format for the operation of a shop featuring and serving a menu of acai bowls, pitaya bowls, coconut bowls, mango bowls, oatmeal bowls, smoothies, juices, and, related menu items, products and services including the methods, proprietary products, recipes, procedures, signs, designs, layouts, equipment, standards, specifications, Marks, and Franchisor’s Operations Manual (including the contents thereof), marketing and advertising methods, vendor lists, trade secrets and confidential information as the same may be modified, amended or replaced from time to time hereafter by Franchisor.

“Term” means the period of time set forth and defined in Section 3.1 of this Agreement.

“Total Development Shops” means the aggregate number of Development Shops as defined in Section 2.1 of this Agreement.

“Transfer” means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift,

transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee; and/or (e) the legal and/or equitable transfer and/or sale of an Owners interests and/or voting rights in Franchisee.

SECTION 2

DEVELOPMENT RIGHTS

2.1 DEVELOPMENT GRANT AND DEVELOPMENT OBLIGATIONS

Franchisor grants to Franchisee the right, and Franchisee accepts the right and obligation to develop a fixed number of Playa Bowls Shops to be developed and opened by Franchisee within the Development Area (each, respectively, a “Development Shop”) in strict accordance with the Development Schedule and development obligations set forth in this Agreement (collectively, the “Development Obligations”) and, in accordance with the terms and provisions of each respective Development Shop Franchise Agreement. Franchisee further agrees that:

(a) Aggregate Number of Development Shops and Total Development Shops – The aggregate number of Development Shops (including the First Development Shop) (collectively, referred to as the “Total Development Shops”) that are required for development, subject to the terms of this Agreement and each respective Franchise Agreement, is set forth and defined in the Development Information Term Sheet attached as Schedule A.

(b) Development Area – The Development Area is and shall constitute the geographic area set forth and identified in the Development Information Term Sheet attached as Schedule A.

(c) Effectiveness – To be effective the Development Information Term Sheet must be completed and signed by Franchisor.

(d) Performance of Development Obligations – Franchisee must: (a) open and commence the operations of each new Development Shop in accordance with the Development Schedule for each respective Development Period; and (b) maintain in operation the minimum cumulative number of Development Shops in accordance with the Development Schedule for each respective Development Period. Franchisee agrees that “*time is of the essence*” with respect to Franchisee’s development obligations under this Agreement, and that Franchisee’s failure to comply with the Development Schedule shall, at the election of Franchisor, result in the immediate termination of this Agreement and of all rights granted to Franchisee under this Agreement.

(e) Incorporation of Development Information Term Sheet – The Development Information Term Sheet attached as Schedule A is hereby incorporated into this Agreement.

During the Term of this Agreement, provided that Franchisee is in compliance with the terms of this Agreement including, but not limited to, the Development Obligations, and each respective Franchise Agreement, Franchisor will not develop and open or license any third party the right to develop and open any new Playa Bowls Shops with a Shop Location within the Development Area. Franchisee agrees that the designated territory for each Development Shop shall be determined by the Franchise Agreement for each respective Development Shops and that, in aggregate, the operating territories for Franchisee’s Development Shops may be smaller than the Development Area.

2.2 LIMITED EXCLUSIVITY AND RESERVED RIGHTS

Except as provided in Section 2.1 of this Agreement, the rights granted in this Agreement are non-exclusive. Franchisor, on Franchisor's own behalf and on behalf of Franchisor's affiliates, successors and assigns, reserves all other rights not expressly granted to Franchisee in this Agreement.

2.3 PERSONAL RIGHTS

Franchisee does not and shall not have or possess the right to franchise, subfranchise, license, sublicense and/or otherwise Transfer Franchisee's rights under this Agreement. The rights and privileges granted and conveyed to the Franchisee in this Agreement may not be Transferred, and, among other things, relate only to Development Area and subject to the terms and conditions of each respective Franchise Agreement for each Development Shop.

SECTION 3

TERM AND TERMINATION

3.1 TERM

This Agreement will be for a term (the "Term") that commences as of the Effective Date and, unless earlier terminated by Franchisor, will automatically end on the earlier of (a) the last day of the calendar month that the final Development Shop is required to be opened in accordance with the terms of the Development Schedule, (b) the day that the designated territory for the last Development Shop is designated by Franchisor, or (c) the date of termination of this Agreement pursuant to the terms of this Agreement. Upon expiration or termination of this Agreement for any reason, Franchisee will not have any rights within the Development Area. The Term may not be renewed or extended.

3.2 TERMINATION BY FRANCHISOR

Franchisor possesses the right, at Franchisor's option, to terminate this Agreement and all rights granted to Franchisee hereunder, without affording Franchisee with any opportunity to cure such default, effective upon written notice to Franchisee, or automatically upon the occurrence of any of the following events: (a) if Franchisee Abandons Franchisee's obligations under this Agreement; (b) if Franchisee for four consecutive months, or any shorter period that indicates an intent by Franchisee to discontinue Franchisee's development of Shops within the Development Area, fails to engage in commercially reasonable efforts and actions necessary for Franchisee's timely satisfaction of the Development Obligations; (c) As to any one Development Shop, Franchisee's failure to timely enter into a Franchise Agreement as set forth in Section 4.3 of this Agreement; (d) if Franchisee becomes insolvent or is adjudicated bankrupt, or if any action is taken by Franchisee, or by others against the Franchisee, under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit or creditors or a receiver is appointed by the Franchisee; (e) if Franchisee fails to meet its development obligations under the Development Schedule for any single Development Period including, but not limited to, Franchisee's failure to establish, open and/or maintain the cumulative number of Playa Bowls Shops in accordance with Development Schedule; and/or (f) in the event that any one Franchise Agreement is terminated respecting any Development Shop and/or any other Franchise Agreement between Franchisor and Franchisee.

SECTION 4

DEVELOPMENT AREA FEE, INITIAL FEES AND DEVELOPMENT SCHEDULE

4.1 DEVELOPMENT AREA FEE

In exchange for the rights set forth and granted pursuant to the terms of this Agreement, upon execution of this Agreement, Franchisee shall pay to Franchisor a development area fee (the "Development Area Fee"). The Development Area Fee is not refundable under any circumstance. The amount of the Development Area Fee is set forth in the Development Information Term Sheet.

Franchisee agrees that the Development Area Fee is not a franchise fee and, that at the time of signing each respective Franchise Agreement, Franchisee shall pay to Franchisor an initial franchise fee and all other fees in accordance with the terms and conditions of each respective Franchise Agreement, except that the initial franchise fee shall conform to the amounts set forth in Section 4.2 of this Agreement. If the then current standard Franchise Agreement to be signed by the Franchisee respecting a Development Shop to be established and operated by Franchisee specifies an initial franchise fee that is greater than or different from the initial franchise fee specified in Section 4.2, below, then the amount of the initial franchise fee as specified in Section 4.2 shall govern. However, all other terms and provisions of each respective Franchise Agreement, as to each Respective Development Shop, shall take precedence and govern.

4.2 DEVELOPMENT SHOP INITIAL FRANCHISE FEES

The initial franchise fee for each respective Development Shop (the “Development Shop Initial Franchise Fee”), to be developed and operated pursuant to the terms and conditions of each respective Franchise Agreement, shall be comprised of the applicable fixed sums set forth in the Development Information Term Sheet.

4.3 PAYMENT OF INITIAL FRANCHISE FEES AND FRANCHISE AGREEMENTS

The applicable initial franchise fee as set forth in Section 4.2 of this Agreement for the first Development Shop shall be payable as set forth in accordance with the terms of the Franchise Agreement for Franchisee’s first Development Shop. The applicable initial franchise fees, if any, as may be set forth in Section 4.2 of this Agreement for all other Development Shops authorized by this Agreement, shall be paid in such amounts as set forth in Section 4.2 of this Agreement at the time of signing the Franchise Agreement for each respective Development Shop.

Either prior to or simultaneous to the execution of this Agreement, Franchisee has signed the Franchise Agreement for Franchisee’s first Development Shop. Franchisee’s second Development Shop and all Development Shops thereafter, respectively, are to be developed and operated by Franchisee pursuant to the terms and conditions of Franchisor’s then current Franchise Agreement which Franchisee must sign, on or before the earlier of: (a) The date Franchisee (subject to Franchisor’s approval of the Shop Location) executes a lease for the Shop Location for each respective Development Shop; (b) The date Franchisee (subject to Franchisor’s approval of the Shop Location) enters into a purchase agreement for the real estate for the Shop Location for each respective Development Shop; or (c) 12 months prior to the date that each respective Development Shop must be open and in operation pursuant to the Development Schedule.

4.4 DEVELOPMENT SCHEDULE

Franchisee agrees to timely develop, establish, commence the operations of, and operate each respective Development Shop in strict accordance with the requirements of the development schedule (the “Development Schedule”) set forth in the Development Information Term Sheet attached to and incorporated into this Agreement as Schedule A. The Development Schedule, among other things, sets forth and defines each respective measurement period / measurement periods (each, respectively, a “Development Period”) and the number of Development Shops that Franchisee must establish and open (a “Newly Opened Development Shop(s)”) within the respective Development Period and, the minimum number of cumulative Development Shops (the “Cumulative Development Shops”) that must be open and in operation as of the last day of each applicable Development Period.

Franchisee agrees that, as to the Development Shops, Franchisee shall meet the requirements of the Development Schedule including, without limitation, requirements as to the number of Development Shops that must be timely developed, established, open, and in operation by Franchisee within the Development Area and as to each respective Development Period.

4.5 REASONABLENESS OF DEVELOPMENT SCHEDULE

Franchisee agrees and represents that it has conducted its own independent investigation and analysis of the prospects for the establishment of Playa Bowls Shops within the Development Area, that Franchisee approves of the Development Schedule as being reasonable and viable, and that Franchisee recognizes that failure to achieve the results described in the Development Schedule will constitute a material breach of this Agreement with time being of the essence.

SECTION 5 OTHER OBLIGATIONS OF FRANCHISEE

5.1 EXECUTION OF FRANCHISE AGREEMENTS

For each Playa Bowls Shop owned, developed and opened for business by the Franchisee in the Development Area, Franchisee must execute Franchisor's then current standard Franchise Agreement. A then current standard Franchise Agreement must be executed by the Franchisee for each and every Development Shop on or before the earlier of: (a) the date Franchisee (subject to Franchisor's approval of the Shop Location) executes a lease for the Shop Location for each respective Development Shop; (b) the date Franchisee (subject to Franchisor's approval of the Shop Location) enters into a purchase agreement for the real estate for the Shop Location for each respective Development Shop; or (c) 12 months prior to the date that each respective Development Shop must be open and in operation pursuant to the Development Schedule.

5.2 ROYALTY FEES AND OTHER FRANCHISE AGREEMENT FEES ACKNOWLEDGMENT

Franchisee agrees that pursuant to the terms of each respective Franchise Agreement respecting and/or concerning the Development Area and/or this Agreement, that nothing contained in this Agreement shall obviate and/or reduce Franchisee's obligations as set forth in each respective Franchise Agreement including, without limitation, Franchisee's obligations, respectively, to pay royalty and all other fees in accordance with each respective Franchise Agreement. Nothing contained in this Agreement shall modify, reduce or mitigate Franchisee's obligations to Franchisor. The only fee and right contained in the Franchise Agreement that is modified by this Agreement is the fixed one-time initial franchise fee paid by Franchisee to Franchisor at the time of signing the Franchise Agreement, as such initial franchise fee is set forth and defined in Section 4.2 of this Agreement as to the Development Shops.

5.3 MODIFICATIONS TO FRANCHISE AGREEMENT

Franchisee agrees that what constitutes Franchisor's then current Franchise Agreement shall be determined by Franchisor, in Franchisor's exclusive discretion and that, among other things, the Franchise Agreement may be modified from time to time by Franchisor and that reasonable modification and amendments to the Franchise Agreement will not alter Franchisee's obligations under this Agreement.

5.4 COMPLIANCE WITH FRANCHISE AGREEMENTS

Franchisee will operate the Development Shops and all other Playa Bowls Shops in strict compliance with the terms and conditions of each respective Franchise Agreement.

5.5 SITE SELECTION

Franchisee will be solely responsible for selecting the site(s) for the Franchisee's Shop Locations. In accordance with the terms and conditions of each respective Franchise Agreement, Franchisee must obtain Franchisor's prior written approval as to each potential Shop Location selected by Franchisee. Franchisee will retain an experienced commercial real estate broker or salesperson who has sufficient experience in locating Shop sites to locate, acquire, purchase or lease the site for the Franchisee's Development Shops. Accordingly, no provision of this Agreement will be construed or interpreted to impose any obligation upon Franchisor to locate a site for the Development Shops, to assist Franchisee in the selection of a suitable site

for the Development Shops, or to provide any assistance to the Franchisee in the purchase or lease of the site for the Development Shops.

5.6 SITE SELECTION CRITERIA

Franchisee will not lease, purchase or otherwise acquire a Shop Locations for the Development Shops until such information as Franchisor may require regarding the proposed site has been provided to Franchisor by Franchisee and has been approved by Franchisor. Information requested by Franchisor may include, without limitation, information regarding the proposed Shop Location as to accessibility, visibility, potential traffic flows, lease terms and other demographic information. Franchisee shall not enter into any lease or purchase agreement with respect to any proposed Shop Location until Franchisor has approved the site.

SECTION 6 TRANSFER OF INTEREST

6.1 BY FRANCHISOR

At all times, Franchisor possesses and maintains the sole and absolute right to transfer and/or assign Franchisor's rights and obligations under this Agreement, in whole and/or in part (for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor's sole discretion) to any person, entity, Corporate Entity and/or third party without the consent of Franchisee and without the approval of Franchisee.

6.2 BY FRANCHISEE

Franchisee shall not Transfer and/or assign this Agreement without the express written consent of Franchisor which Franchisor may withhold in Franchisor's sole discretion and Franchisor's Reasonable Business Judgment. If Franchisee is a Corporate Entity the Owners of Franchisee shall not Transfer their ownership and/or equity interests in Franchisee without the express written consent of Franchisor which Franchisor may withhold in Franchisor's sole discretion and Franchisor's Reasonable Business Judgment. Any Transfer and/or assignment in violation of the foregoing shall constitute a material default of this Agreement and shall result in the immediate and automatic termination of this Agreement.

SECTION 7 ENFORCEMENT AND CONSTRUCTION

7.1 SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in this Agreement, each term and provision of this Agreement shall be interpreted or otherwise construed to be independent of each other and severable. Although each term and condition of this Agreement are considered by the parties to be reasonable and intended to be enforceable, if any such term and condition of this Agreement is found by a court of competent jurisdiction, agency, or other governmental agency to be unenforceable as written or otherwise, then such term and condition shall be modified, rewritten, interpreted, or "blue-lined" to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or "blue-lined" in any respect, then it will not be given effect and severed from this Agreement, and the remainder of this Agreement shall be interpreted, construed and enforced as if such term and condition was not included in this Agreement.

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify

the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any such substituted and/or modified term and condition of this Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of this Agreement as though it were originally and separately articulated in, and made a part of, this Agreement as of the Effective Date and/or any specification, standard or operating procedure Franchisor prescribes, which may result from striking from any terms and conditions, specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, this Agreement shall be enforced as originally made in all other jurisdictions.

7.2 WAIVER OF OBLIGATIONS

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor's rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor's other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance shall constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement shall not constitute a waiver or acceptance of Franchisee's default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor shall likewise not be deemed to have waived or impaired any term and condition, right, option or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor's insistence upon Franchisee's strict compliance with Franchisee's obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement shall be valid unless in writing and signed by Franchisor.

7.3 SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Licensed Marks or the System.

7.4 RIGHTS OF PARTIES ARE CUMULATIVE

The rights of Franchisor and Franchisee under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

7.5 GOVERNING LAW

THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW JERSEY, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES SHALL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY THE STATE OF NEW JERSEY SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

7.6 CHOICE OF LAW, NON-BINDING MEDIATION, BINDING ARBITRATION, AND CONSENT TO JURISDICTION

(1) **Non-Binding Mediation** – Franchisee and Franchisor agree that before either party may bring any action, dispute and/or controversy arising from or related to this Agreement and/or the franchise relationship between Franchisor and Franchisee in arbitration, the parties must first mediate the dispute through non-binding mediation. Mediation shall be non-binding and shall be conducted by the American Arbitration Association (“AAA”) in accordance with the AAA’s then current rules for the mediation of commercial disputes. All mediation proceedings shall be conducted in Monmouth County, New Jersey or, if a mediator is not available in Monmouth County, New Jersey then at a suitable location selected by the mediator that is located closest to Monmouth County, New Jersey. Mediation shall be conducted by one mediator and if Franchisor and Franchisee cannot agree on a mediator then the mediator shall be selected by the AAA. Mediation shall be conducted within 45 days of the AAA’s designation and/or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Franchisee in writing signed by each respective party. Franchisor and Franchisee shall each be responsible for their own costs associated with mediation and Franchisor and Franchisee shall each be responsible for and shall each pay 50% of the mediator’s fee and the AAA’s mediation fees.

Notwithstanding the preceding paragraph, Franchisor and Franchisee agree this Sub-Section 7.6(1) and, thereby, the prerequisite requirement of non-binding mediation, shall not, at Franchisor’s election, apply to: (a) any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief; and/or (b) claims by either Franchisor or Franchisee under this Agreement that relates to either Franchisor’s or Franchisee’s failure to pay fees or other monetary obligations due under this Agreement.

(2) **Arbitration** – Subject to the prerequisite requirements of non-binding mediation as set forth in Sub-Section 7.6(1), and, except, at Franchisor’s election, as to any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief, Franchisor and Franchisee agree that all disputes, controversies, and claims, arising from and/or related to this Agreement, the relationship between Franchisor and Franchisee, the System, and/or the validity of this Agreement and/or the Ancillary Agreements, shall be submitted, on demand of either Franchisor or Franchisee, to the AAA for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with the AAA’s then current rules for commercial disputes, except as may be otherwise required in this Section 7.6. All arbitration proceedings shall be conducted in Monmouth County, New Jersey or, if suitable AAA facilities are not available in Monmouth County, New Jersey then at a suitable AAA location selected by the arbitrator that is located closest to Monmouth County, New Jersey.

In connection with binding arbitration, Franchisor and Franchisee further agree that:

- (a) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;
- (b) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;
- (c) The arbitrator shall render written findings of fact and conclusions of law;
- (d) Except as may be otherwise required and/or prohibited by this Agreement including, but not limited to Sections 7.8, 7.9, 7.13, 7.14, 7.17, and 7.23 of this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including

monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid;

(e) They shall each be bound to the limitations periods set forth in Section 7.8 of this Agreement and that, in any arbitration proceeding, Franchisor and Franchisee must each timely submit, within the same arbitration proceeding, any claim that would constitute a compulsory counterclaim as such claims are defined and set forth under Rule 13 of the United States Federal Rules of Civil Procedure. Any claim that is not submitted or filed as required shall be forever barred;

(f) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction; and

(g) Arbitration and/or any arbitration award must be conducted in accordance with the terms of this Agreement including, but not limited to, the requirements set forth in this Section 7.

(3) **Consent to Jurisdiction and Venue** – Subject to the non-binding mediation and arbitration provisions set forth in this Section 7.6, Franchisor and Franchisee agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within New Jersey and within Monmouth County or the county closest to Monmouth County. Franchisor and Franchisee do hereby irrevocably consent to and waive any objection to such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, Franchisor and Franchisee agree that Franchisor, at Franchisor's election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either the Franchised Business was located or where Franchisee resides.

7.7 VARIANCES

FRANCHISEE AGREES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING. FRANCHISEE UNDERSTANDS THAT EXISTING FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

7.8 LIMITATIONS OF CLAIMS

ANY AND ALL CLAIMS AND/OR CAUSES OF ACTION ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR RESULTING FROM THIS AGREEMENT, SHALL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED OR ONE YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

7.9 WAIVER OF PUNITIVE DAMAGES

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT, PROVIDED THAT SUCH WAIVER SHALL NOT APPLY TO ANY CLAIM: (A) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT; AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT.

7.10 WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

7.11 BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

7.12 COMPLETE AGREEMENT

This Agreement and the Schedule A Development Information Term Sheet, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee.

7.13 ATTORNEY FEES AND EXPENSES

Franchisee agrees that in the event that an arbitrator in any arbitration proceeding and/or a court of competent jurisdiction shall issue an award, judgment, decision and/or order finding, holding and/or declaring Franchisee's breach of this Agreement than Franchisor shall also be entitled to the recovery of all reasonable attorney fees, costs and expenses associated with and/or related to such arbitration and/or litigation. Said fees, costs and expenses shall include, but not be limited to, attorney fees, arbitration fees, arbitrator fees, deposition expenses, expert witness fees and filing fees.

7.14 WAIVER OF CLASS-ACTION:

INDIVIDUAL DISPUTE RESOLUTION AND NO MULTI-PARTY ACTIONS

FRANCHISOR AND FRANCHISEE AGREE THAT ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF THE PLAYA BOWLS SHOP FRANCHISE FROM FRANCHISOR TO FRANCHISEE, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS, AND, THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S OWNERS, SPOUSES AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

7.15 ACCEPTANCE BY FRANCHISOR

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

7.16 OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS

Franchisor recommends that Franchisee have this Agreement and the Franchise Disclosure Document reviewed by Franchisee's lawyer, accountant, and other business advisors, prior to signing this Agreement.

7.17 NO PERSONAL LIABILITY BY FRANCHISOR'S EMPLOYEES, OFFICERS AND/OR AUTHORIZED AGENTS

Franchisee agrees that the fulfillment of any of Franchisor's obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law shall be Franchisor's sole obligation and none of Franchisor's employees, officers and/or authorized agents shall be personally liable to Franchisee for any reason. In addition to the foregoing, Franchisor and Franchisee are not joint employers.

7.18 NON-UNIFORM AGREEMENTS

Franchisee agrees that Franchisor makes no representations or warranties that all other agreements with [FRANCHISOR CORPORATE NAME] franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee agrees that Franchisor may waive or modify comparable provisions of other Franchise Agreements to other System franchisees in a non-uniform manner.

7.19 NO RIGHT TO OFFSET

Franchisee shall not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Franchisee, or for any other reason, withhold any payment, fee, or any other amount payable by Franchisee to Franchisor pursuant to this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, or any other payment obligation by Franchisee to Franchisor. Franchisee shall not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Franchisee from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Franchisee to Franchisor.

7.20 HEADINGS

The headings and subheadings in this Agreement are strictly for convenience and reference only, and they shall not limit, expand, or otherwise affect the interpretation and construction of the terms and conditions of this Agreement.

7.21 AUTHORITY TO EXECUTE AND BIND

Each party agrees, warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement has been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

7.22 COUNTERPARTS; ELECTRONIC SIGNATURES; MULTIPLE COPIES

This Agreement may be executed in counterparts, all of which counterparts shall be deemed originals and taken together shall constitute a single agreement, and the signature pages of which may be detached from the several counterparts and attached to a single copy of this Agreement to physically form a single document.

7.23 JOINT AND SEVERAL LIABILITY

If Franchisee consists of more than one person or entity, then their liability under this Agreement shall be deemed joint and several.

7.24 RECITALS AND REPRESENTATIONS

The parties acknowledge and agree that the recitals and representations contained on the first page of this Agreement are true and accurate, shall constitute a material part of this Agreement, and are hereby fully incorporated into the terms and conditions of this Agreement.

**SECTION 8
NOTICES**

All written notices and reports permitted or required to be delivered by this Agreement shall be deemed so delivered, at the time delivered by hand, one business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three business days after placed in the U.S. mail by registered or certified mail, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. The addresses for the parties set forth in the initial paragraph of this Agreement shall be used unless and until a different address has been designated by written notice to the other party. Any notice required under this Agreement shall not be deemed effective or given by Franchisee to Franchisor unless given in strict compliance with this Agreement.

In all cases where Franchisor’s prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and Franchisor shall respond within 10 business days after receiving Franchisee’s written request and all supporting documentation, provided if Franchisor does not respond, such request shall be deemed unapproved. Franchisor’s consent to, or approval of, any act or request by Franchisee shall be effective only to the extent specifically stated, and Franchisor’s consent or approval shall not be deemed to waive, or render unnecessary, consent or approval of any other subsequent similar act or request.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement as of the Effective Date set forth in the first paragraph of this Agreement.

Franchisor:
Playa Bowls Franchisor LLC

Franchisee:

By: _____
Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated



Multi-Unit Development Agreement – Schedule A
DEVELOPMENT INFORMATION TERM SHEET

This Development Information Term Sheet is attached to, is incorporated into, and forms a part of the Playa Bowls Multi-Unit Development Agreement between Playa Bowls Franchisor LLC, a New Jersey limited liability company with a principal place of business located at 803 Ocean Avenue, Belmar, New Jersey 07719 (the “Franchisor”) and _____ (the “Franchisee”).

Defined terms shall have the meanings set forth in the Playa Bowls Multi-Unit Development Agreement between Franchisor and Franchisee and are further defined and set forth in this Development Information Term Sheet.

If Franchisee is a Corporate Entity, Franchisee represents and affirms to Franchisor that the following is a list of each Owner of Franchisee:		
Owner Name	Owner Address	Ownership Interest Percentage

Development Area Fee	Total Development Shops
\$ _____	-----

Development Area
[To be Effective this Schedule Must be Completed and Signed by Franchisor]

Development Shop Initial Franchise Fee for the First Development Shop
FIRST DEVELOPMENT SHOP: The Development Shop Initial Franchise Fee for the First Development Shop is: \$35,000, payable and due upon execution of the applicable Franchise Agreement for the First Development Shop. This initial franchise fee is separate from and in addition to the Development Area Fee.

Development Shop Initial Franchise Fee for Other Development Shops
OTHER AUTHORIZED DEVELOPMENT SHOPS: Provided that Franchisee is not in default of the terms of this Playa Bowls Multi-Unit Development Agreement (including but not limited to the Development Schedule set forth below) and that neither Franchisee nor Franchisee’s affiliates are in default of any Franchise Agreement or other agreement with Franchisor, the Development Shop Initial Franchise Fee for each additional Development

Shop (over and above the First Development Shop), is: \$17,500 payable at the time of signing the Franchise Agreement for each Development Shop.

Development Schedule		
Development Period	Newly Opened Development Shops	Cumulative Development Shops
Development Period 1: [----- TO -----]	[-----]	[-----]
Development Period 2: [----- TO -----]	[-----]	[-----]
Development Period 3: [----- TO -----]	[-----]	[-----]
Development Period 4: [----- TO -----]	[-----]	[-----]
Development Period 5: [----- TO -----]	[-----]	[-----]

This Development Information Term Sheet shall be effective as of the Effective Date of the Playa Bowls Multi-Unit Development Agreement.

Franchisor:
Playa Bowls Franchisor LLC

Franchisee:

By: _____
Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT G
LIST OF FRANCHISEES

FRANCHISEES (as of December 31, 2023)			
State	Business Location	Franchisee	Phone Number
AZ	24750 S Ellsworth Road, Suite A101 Queen Creek, AZ 85142	PLAYA QC, LLC Zachary Markham & Erica Markham	(480) 773-1855
	8870 N 9 th Street, Suite 103 Scottsdale, AZ 85258	IT'S A "SHORE" THING 2 LLC Larry DeRogatis, Anthony DeRogatis & Susan DeRogatis	(480) 476-7550
CO	14505 East Alameda Avenue Aurora, CO 80012	EAST GONE WEST 4 LLC Cody Benisch & Robert Wissing	(973) 715-0176
	4852 S Newport Street, Unit D Denver, CO 80237	EAST GONE WEST 5 LLC Cody Benisch & Robert Wissing	(973) 715-0176
	99 S. Broadway, Suite 115 Denver, CO 80209	EAST GONE WEST 2 LLC Cody Benisch & Robert Wissing	(720) 541-7193
	5845 W 25 th Avenue Edgewater, CO 80214	EAST GONE WEST 3 LLC Cody Benisch & Robert Wissing	(303) 632-6108
	2490 W Main Street Littleton, CO	EAST GONE WEST LLC Cody Benisch & Robert Wissing	(303) 353-2776
CT	380 W Main Street Avon, CT 06001	PB Avon LLC	(860) 205-6262
	1029 Boston Post Road Darien, CT	PLAYA OF DARIEN INC	(203) 202-7446
	57 Unquowa Road Fairfield, CT 06824-5032	PLAYA OF FAIRFIELD LLC	(203) 292-6999
	140 Glastonbury Road Glastonbury, CT 06033	PB GBURY LLC Mitchell Jackson & Michael Bogdan	(860) 430-2609
	1 Dog Lane Storrs, CT 06269	PB UCONN LLC Michael Bogdan & Mitchell Jackson	(860) 477-0031
	51 Memorial Road West Hartford, CT 06107-220	PB WEHA LLC	(860) 216-4152
DE	832 Kohl Avenue Middletown, DE 19709-4703	GEE BOWLS INC	(302) 696-2463
	220 Rehoboth Avenue Rehoboth Beach, DE 19971-2134	GEE BOWLS INC	(302) 567-2311
	134 East Main Street Newark, DE 19711-7327	GEE BOWLS INC	(302) 286-5196
	3614 Concord Pike Wilmington, DE 19803	Dustin Mushinski	(443) 350-2978
FL	6620 SW 57th Avenue (Coral Gables) South Miami, FL 33143	PB SOFLO LLC	(954) 529-0078
	3111 N University Drive, Suite 112 Coral Springs, FL	PBFL LLC	(561) 305-7100
	2471 S University Drive Davie, FL 33324	PB DAVIE LLC	(786) 400-6147
	1134 E Atlantic Avenue Delray Beach, FL 33483	Joseph Coakley**	(561) 359-2946
	10041 University Drive, Suite 160 Fort Myers, FL 33913	Michael L. Bergen	(239) 887-4931
	4720 Town Crossing Drive, Suite 125 Jacksonville, FL 32246	Richard Hardman and Mark Williams	(732) 966-7716
	71 E Indian Town Road Jupiter, FL	Z BOWLS 1 LLC	(973) 229-4394

	3131 NE 1st Avenue, Space D1 Miami, Florida 33137	PB Miami Midtown LLC Roxanne Vogel	(954) 529-0078
	58 Main Street Rosemary Beach, FL 32413	30ACAI LLC	(850) 399-4042
	4655 Gulf Boulevard, Suite 104, St Pete Beach, Florida 33706	Ethan McGowan and Jacob McGowan	(201) 218-6364
	1427 S Tamiami Trail Sarasota, FL (34243)	Ethan McGown and Seth McGown	(201) 218-6364
	1925 NW Federal Highway Stuart, Florida 34957	Z BOWLS 1 LLC	(973) 229-4394
	2653 Bruce B. Downs Blvd, Unit 106 & 107 (10.6.23) Wesley Chapel, Florida 33544	PB Wesley Chapel, LLC Tabatha Castro and Pablo Reid	(856) 366-3206
	9982 Glades Road West Boca Raton, FL 33434	PBFL LLC	(561) 305-7100
GA	6365 Halcyon Way, Suite 930 Alpharetta, GA 30005	PB HALCYON LLC	(678) 580-2458
	12660 Crabapple Road (Milton) Alpharetta, GA 30004	Nicholas Ransom	(732) 266-6403
	661 Auburn Avenue, Suite 160 Atlanta, GA 30312-1999	PB GEORGIA LLC	(404) 963-1746
	5070 Peachtree Boulevard, Unit B105 Chamblee, GA 30341-2870	PB Chamblee LLC Nicholas Ransom & Patrick Hartmann	(678) 694-1734
	5160 Town Center Blvd, Suite 530 Peachtree Corners, GA 30092	RANSOM PB LLC	(678) 336-9800
KY	4600 Shelbyville Road, Suite 645 Jefferson County, NY 40207	SABLER LLC	(502) 560-5279
	12939 Shelbyville Road, Suite 103 Louisville, KY 40223	SABLER LLC	(502) 807-2327
LA	660B Arlington Creek Centre Blvd Baton Rouge, LA 70820-6019	BR BOWLS LLC	(225) 256-5006
	730 Veterans Memorial Blvd Metairie, LA 70005	NOLA BOWLS LLC	(985) 774-1893
	5601 Magazine Street (2.4.23) New Orleans, Louisiana 70115	UPTOWN ACAI LLC	(985) 774-1893
MD	2494 Solomons Island Road Annapolis, MD 21401	Dave Eynon and Jeffrey Giuliani	(303) 946-2053
	2632 Quarry Lake Drive Baltimore, MD 21209	QLPB LLC, Dov Ocken, Jennifer Ocken, PRETTER CAPITAL, LLC, Isaac Pretter, Nancy Pretter	(410) 413-6157
	11436 Samuel Bowen Blvd, Unit 2 Berlin, MD 21811 (Ocean Pines)	Anthony Martina	(302) 593-4872
	7417A Baltimore Avenue College Park, MD 20740-3276	GEE BOWLS INC.	(301) 851-5378
	28601 Marlboro Avenue Easton, MD 21601-2786	MARTINA6 INCORPORATED	(484) 387-0470
	9338 Baltimore National Pike, Suite H Ellicott City, MD 21042	FINNATIC ALLIANCE, LLC Jose and Sophia Finn	(206) 250-2719
	12193 Darnestown Road Gaithersburg, MD 20878	JDACAI DARNESTOWN LLC	(240) 477-8952
	14014 Detrick Ave, Suite 200 Kensington, MD 20895	JDACAI MOSAIC LLC	(410) 874-6646

	18147 Town Center Drive Olney, MD 20832-1482	JDACAI OLNEY LLC	(301) 250-9919
	7733 Tuckerman Lane Potomac, MD 20854-3266	JDACAI LLC	(240) 403-7456
	1012 S. Salisbury Blvd Salisbury, MD 21801-6361	MARTINA6 INCORPORATED	(443) 736-7526
MA	277 Huntington Avenue Boston, MA 02115-4506	PB HUSKY LLC	(617) 859-5814
	2199 Commonwealth Ave (BC) Brighton, MA 02135-3853	PB EAGLE LLC	(617) 254-0954
	1285 Belmont Street (Stonehill) Brockton, MA 02301	PB SHYHAWK LLC	(508) 510-4562
	71 Mt. Auburn Street (Harvard Square) Cambridge, MA 02138-4961	PB CRIMSON LLC	(617) 714-5321
	635 Washington Street Canton, MA 02021	PB MANSFIELD LLC Dana Nentin, David Swanson & Hung Lam	(781) 615-5009
	406 State Road Dartmouth, MA 02747	PB Restaurant, Inc.	(646) 460-9102
	532 Adams Street Milton, MA 02186	PB MILTONLLC	(617) 859-5814 (617) 322-3042
	745 High Street Westwood, MA 02090	PB Westwood LLC	(617) 780-0303
	600 Main Street Winchester, MA 18900	PB Winchester LLC	(617) 780-0303
MI	4087 Maple Road Bloomfield Township, MI 48301	AHSAHEE LLC Matthew Caplan	(248) 731-7817
	225 E Grand Drive Avenue (MSU) East Lansing, MI 48823	DKS COMPANIES, LLC Diana Cannizzaro	(732) 245-1856
	39761 Traditions Drive Northville, MI 48167	NORTHVILLE BOWLS LLC	(248) 770-2727
	2607 S. Rochester Road Rochester Hills, MI 48304	AHSAHEE LLC Matthew Caplan	(248) 302-8283
	222 E State Street, Suite 101 Traverse City, MI 49684	COLD AS BOWLS LLC	(610) 772-3719
	275 Big Beaver Troy, MI 48083	AHSAHEE LLC Matthew Caplan	(248) 302-8283
NH	70 Storrs Street Concord, NH 03301	PB – CONCORD, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	235 Ocean Boulevard Hampton, NH 03842	PB – HAMPTON, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	555 Hooksett Road Manchester, NH 03104-2656	PB – MANCHESTER, LLC	(603) 232-1960
	262 Amherst Street Nashua, NH 03063	PB – NASHUA, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
NJ	701 Cookman Avenue Asbury Park, NJ 07712-7048	JUICE BEACH 2 LLC Cathy Gallo & Anne Sears	(732) 988-9663
	1200 Ocean Avenue Asbury Park, NJ 07712-5698	JUICE BEACH 2 LLC Cathy Gallo & Anne Sears	(718) 887-6985
	535 Broadway Bayonne, NJ 07002	PBJC I LLC Kenneth Macchiavema	(201) 455-2323
	610 N Bay Avenue Beach Haven, NJ 08008-1982	SUNRISE & SUNSET DREAMS LLC	(609) 467-5818

307 Beach Avenue, Unit 2 Cape May, NJ 08204-1407	STOKED LIFE CAPE MAY LLC	(609) 224-7017
Market Place at Garden State Park 2010 Route 70 West, Suite B Cherry Hill, NJ 08002	STOKED LIFE LLC	(856) 320-2133
230 Route 206 N Chester, NJ 07930	MAIN BOWLS CHESTER LLC	(908) 888-2879
102B Union Ave N Cranford, NJ 07016-2121	PB WESTFIELD LLC	(908) 325-6353
4 Broadway Denville, NJ 07834-2704	MAIN BILLS DENVILLE LLC	(973) 784-4062
505 N Broad Street Elizabeth, NJ 07208	3LR PB ELIZABETH FRANCHISE LLC	(908) 348-6262
38 E Palisade Avenue Englewood, NJ 07631-2902	PB OF ENGLEWOOD LLC	(201) 928-7788
182 Ridgedale Avenue Florham Park, NJ 07932	PLAYA FLORHAM PARK LLC	(973) 295-6976
44M Manchester Avenue (Lacey) Forked River, NJ 08731-1365	ISLAND BOWLS LACEY LLC	(609) 994-2828
833 Franklin Lakes Road Franklin Lakes, NJ 07417	PB OF FRANKLIN LAKES LLC	(201) 824-2400
Freehold Raceway Mall, 3710 US-9 Freehold, NJ 07728	JOBELLA 910-3 LLC	(732) 984-9743
150 Main Street, Suite #2 Hackensack, NJ 07061	PB OF HACKENSACK LLC Gerald Eicke & Francesco Stillitano	(201) 830-1782
100 Hudson Street Hoboken, NJ 07030-5788	PB HUDSON LLC	(201) 499-3687
Holmdel Towne Center, 35N Holmdel, NJ 07733	PB HOLMDEL LLC	(732) 533-5191
4701 US-9 Howell Township, NJ 07731	NAPSCO LLC	(201) 566-8231
603 Grand Central Ave Lavallette, NJ 08735-2213	BARRIER ISLAND INVESTMENTS, INC.	(732) 830-2000
339 N Main Street Manahawkin, NJ 08050-3069	BARRIER ISLAND INVESTMENTS, INC.	(609) 312-7879
300 Route 73, Suite I Marlton, NJ 08053	STOKED LIFE MARLTON LLC	(856) 334-5893
14 N Park Place Morristown, NJ 07960-6830	PB MORRISTOWN LLC**	(973) 267-1777
Newark Airport, Terminal A 3 Brewster Road Newark, NJ 07114	PB EWR, LLC	(917) 930-8234
744 Boardwalk Ocean City, NJ 08226-3727	BOWLS AND DREAMS CORP	(609) 938-2224
1324 S Boardwalk Ocean City, NJ 08226-3242	STOKED LIFE OCEAN CITY LLC	(609) 938-4633
410 Ocean Avenue Point Pleasant Beach, NJ 08742	POINT BEACH POR VIDA, LLC	(848) 241-9950
500 Route 23N Pompton Plains, NJ 07444	AC BOWLS LLC	(862) 248-0782
101 Nassau Park Boulevard Princeton, NJ 08540	TNCK LLC	(973) 800-7464

	305 E Ridgewood Avenue Ridgewood, NJ 07450-3359	PB RIDGEWOOD	(201) 639-2700
	82 Park Avenue Rutherford, NJ 07070-1957	3LR PB RUTHERFORD FRANCHISE LLC	(201) 559-3339
	2150 Route 35 Sea Girt, NJ 08750-1012	PLAYA BOWLS SEA GIRT LLC	(732) 359-7166
	33 42 nd Street Sea Isle City, NJ 08243-1939	STOKED LIFE SEA ISLE LLC	(609) 478-3471
	819 Boardwalk Casino Pier Seaside Heights, NJ 08751	GKK LLC	(732) 854-7040
	1999 Promenade Seaside Park, NJ 08752-1242	DAIKEN LLC	(732) 250-6759
	279 New Road Somers Point, NJ 08244	Stoked Life Somers Point LLC Joe Wallash	(609) 365-2432
	3010 State Route 27, Unit 6 South Brunswick, NJ 08824	KADA ENTERPRISES LLC	(848) 777-5292
	4 North Village Blvd, Suite B Sparta, NJ 07871-3592	MAIN BOWLS SPARTA LLC	(973) 729-2695
	261 96 th Street Stone Harbor, NJ 08247-1965	STOKED LIFE LLC	(609) 830-5492
	51 Summit Avenue Summit, NJ 07901-3613	PB SUMMIT LLC	(908) 522-8385
	518 Long Beach Blvd Surf City, NJ 08008-5215	SUNRISE & SUNSET DREAMS LLC	(609) 342-1908
	63 Union Boulevard Totowa, NJ 07512	Raquel Calvo	(973) 321-8233
	1816 Palisade Avenue Union City, NJ 07087-4439	3LR PB UNION CITY FRANCHISE LLC	(201) 520-2636
	6414 Ventnor Ave Ventnor City, NJ 08406	Barrier Island Investments, Inc. Ryan Daly & Robert Ciliento	(609) 499-8192
	194 Liberty Corner Road Warren, NJ 07059	Raquel Calvo	(908) 350-3355
	710 Somerset Street Watchung, NJ 07069	3LR PB WATCHUNG FRANCHISE LLC	(908) 427-3131
	796 Bloomfield Ave West Caldwell, NJ 07006-6710	PLAYA BOWLS WEST CALDWELL	(973) 227-1112
	99 Westwood Ave Westwood, NJ 07675	PB OF WESTWOOD	(201) 824-6800
	531 Route 22 East, Unit 11 Whitehouse Station, NJ 08889	PLAYAWHITEHOUSE LLC	(908) 812-1959
	3800 Boardwalk Wildwood, NJ 08260-5432	STOKED LIFE WILDWOOD LLC	(609) 551-2802
	97 Main Street Woodbridge, NJ 07095	Raquel Calvo	(732) 510-7986
NY	181 Bedford Avenue (Williamsburg) Brooklyn, NY 11211	EARTH BOWLS LLC	(917) 231-5259
	425 5th Avenue, Park Slope #1 Brooklyn, NY 11215	PB ON THE SLOPE LLC	(917) 607-4967
	82 7th Avenue, Park Slope #2 Brooklyn, NY 11217	PB NORTH SLOPE LLC	(917) 607-4967
	15 Park Place Bronxville, NY 10708-4129	PLEASANTVILLE PLAYA LLC	(914) 652-7181

100 West 72nd Street (CPW) New York, NY 10023	EARTH BOWLS LLC	(917) 231-5259
331 Rockaway Turnpike Lawrence, NY 11559	EARTH BOWLS LLC	(917) 231-5259
2259 Merrick Road Merrick, NY 11566	Keith Devito & Danny Volk	(516) 208-7007
347 B NY-25A Miller Place, NY 11764	Kenneth Ruben	(631) 828-6444
8133 Fashion Drive Nanuet, NY 10954	PB NANUET LLC	(845) 627-5292
299 7 th Ave (FIT) New York, NY 10001	CALDERONE HOSPITALITY LLC	(212) 933-4160
230 Park Ave (Grand Central) New York, NY 10169	EARTH BOWLS LLC	(646) 747-0813
570 Lexington Ave (Urbanspace) New York, NY 10022-6837	EARTH BOWLS LLC	(917) 421-9349
108 MacDougal Street New York, NY 10012	EARTH BOWLS LLC	(212) 674-2695
Mercedes Club NYC 550 W 54 th Street New York, NY 10019-5978	EARTH BOWLS LLC	(646) 979-3050
2327 Broadway West 84 th Street New York, NY 10024 (UWS)	EARTH BOWLS LLC	(646) 558-7222
1 New York Plaza (Wall Street) New York, NY 10004-1901	PLAYA BOWLS 1 NY PLAZA LLC	(917) 231-5259
100 Pearl Street (FIDI) New York, NY 10004	EARTH BOWLS LLC	(480) 476-7550
124 E 14th Street (Union Square) New York, NY 10003	EARTH BOWLS LLC	(917) 231-5259
1350 Broadway (Bryant Park) New York, NY 10018	EARTH BOWLS LLC	(917) 231-5259
1471 2 nd Ave (Upper East Side) New York, NY 10028	EARTH BOWLS LLC	(646) 558-3292
487 6 th Ave (Greenwich Village) New York, NY 10011	EARTH BOWLS LLC	(212) 674-2695
1291 Lexington Avenue (FIT) New York, NY 10028	1291 Lexington Avenue LLC	(917) 626-3631
2841 Broadway (Columbia) (Morningside Heights) New York, NY 10025	2841 BROADWAY LLC	(917) 626-3631
50 Fulton Street New York, NY 10038	Mona Kaplan	(516) 448-4090
Penn Station New York, NY 10119	Mona Kaplan	(516) 448-4090
750 7th Ave (Times Square) New York, NY 10019	Mona Kaplan	(516) 448-4090
465 Bedford Road Pleasantville, NY 10570-2932	PLEASANTVILLE PLAYA LLC	(914) 495-3438
2507 South Road Poughkeepsie, NY	PB23, INC.	(914) 456-6764
18 Purdy Ave Rye, NY 10580	PLAYA OF RYE INC	(914) 305-4244

	2655 Richmond Avenue Staten Island, NY 10314	Cathy Gallo & Anne Sears	(718) 608-9090
	1275 Woodrow Road Staten Island, NY 10309	Cathy Gallo & Anne Sears	(718) 608-9090
	3 Main Street Tarrytown, NY 10590-1413	PB TARRYTOWN, INC.	(914) 418-5483
NC	744B 9th Street Durham, NC 27705	Fortune Favors the Bowled LLC David Pokorny	(303) 946-2053
	2526 Hillsborough Street, Suite 101 Raleigh 1, NC 26707	Fortune Favors the Bowled LLC David Pokorny	(303) 946-2053
OH	1952 North High Street (OSU) Columbus, OH 43101-1165	AMAZE BOWLS, LLC	(614) 641-4800
	5765 N Hamilton Road (New Albany) Columbus, OH 43054	AMAZE BOWLS, LLC	(614) 561-4813
	1200 Brown Street, Space 105 Dayton, OH 45409	Open Shot LLC	(973) 231-6229
	6704 Perimeter Loop Road Dublin, OH 43017	AMAZE BOWLS, LLC	(614) 561-4813
	734B North Main Street Springboro, OH 45066	Open Shot LLC	(973) 231-6229
PA	310 E 3 rd Street Bethlehem, PA 18015-1310	PLAYA BOWLS BETHLEHEM LLC	(610) 419-4294
	3525 Gettysburg Road, Unit 1 Camp Hill, PA 17011	Brooke Butler-Wagner	(223) 336-4188
	30 N Hanover Street Carlisle, PA 17013	MI LEGADO LLC	(223) 336-4188
	3045 Center Valley Pkwy, Suite 118 Center Valley, PA 18034	BOWLS OF STEEL LLC	(610) 217-0597
	3770 Dryland Way (Nazareth) Easton, PA 18045-8353	James Dale & THE BLACKBEARD GROUP LLC	(484) 387-0470
	110 Lincoln Highway Fairless Hills, PA 19030-1011	BERGEN SUN & STARS LLC	(267) 202-6442
	2615 Linglestown Road Harrisburg, PA 17710	Brooke Butler-Wagner	(223) 336-4188
	2913 S Eagle Road Newtown, PA 18940-1554	BERGEN SUN & STARS LLC	(215) 550-6472
	4 Airport Square (Montgomeryville) North Wales, PA 19454	James Dale & Blackbeard LLC Stephen Sherriff	(215) 589-4878
	807 N 2nd Street (Northern Liberties) Philadelphia, PA 19123	James Dale & The Blackbeard Group LLC	(267) 374-3194
	1804 Chestnut Street (Philly) Philadelphia, PA 19103-4903	BOWLS OF STEEL III LLC	(484) 538-8386
	1932 Liacouras Walk (Temple U) Philadelphia, PA 19122	PB TEMPLE LLC	(267) 639-3548
	236 S 11th Street Philadelphia, PA 19106	BOWLS OF STEEL IX LLC James Dale & Stephen Sheriff	(267) 244-0881
	4034 Walnut Street Philadelphia, PA 19104	BOWLS OF STEEL VIII LLC James Dale & Stephen Sheriff	(267) 969-4994
	482 East Calder Way (Penn State) State College, PA 16801-5667	PB STATE COLLEGE LLC	(814) 954-5139
	1609 N Main Street, Suite 1101 Warrington, PA 18976	BOWLS OF STEEL II LLC	(215) 435-9947

	150 E Lancaster Ave (Villanova) Wayne, PA 19087-4142	BIG BOWLS LLC	(484) 580-2157
	22 S High Street West Chester, PA 19382-3225	STOKED LIFE LLC	(484) 887-8708
SC	429 King Street Charleston, SC 29403-6232	PBSC, LLC	(843) 202-0079
	Greenville, SC (Outlet Not Yet Open)	PB UPSTATE SC, LLC	(803) 404-1001
	766 S Shelmore, Suite 201 Mount Pleasant, SC 29464	PBSC2, LLC	(843) 388-5394
TX	22706 US HWY N 281, Suite 104 San Antonio, TX 78258	Dipesh Patel	(210) 257-8564
	9702 Texas 151 HWY San Antonio, TX 78251	Dipesh Patel	(228) 424-2609
	9708 Business Parkway, Suite 102 Helotes, TX 78023	GEMAA ACAI, LLC Dipesh Patel	(210) 263-9659
VA	2910 District Ave #168 Fairfax, VA 22031-2284	JDACAI LLC	(703) 854-1688
	3405 Candler Mountain Road Lynchburg, VA 24502	Campbell Bowls LLC	(704) 941-1826
	1820 Discovery Street Reston, VA 20190-5606	JDACAI RESTON LLC	(571) 926-9656
WA, D.C.	4857 Massachusetts Avenue NW, Washington, DC 20016 (Spring Valley)	JDACAI Holdings LLC	(303) 946-2053

** Transferred Locations

*** Franchisee signed a Multi-Unit Development Agreement.

FRANCHISEES WITH OUTLETS NOT YET OPEN			
(as of December 31, 2023)			
State	Business Location	Franchisee	Phone Number
AL	460 John Henry Way, Suite 390 Madison, AL 35757 (Outlet Not Yet Open)	PB Madison AL, Inc. Rodney Cottingham	(256) 763-1198
	100 Outfield Drive, Suite D Madison, AL 35758 (Outlet Not Yet Open)	PB Madison AL, Inc. Rodney Cottingham	(256) 763-1198
	Huntsville, AL 35803 (Outlet Not Yet Open)	PB Madison AL, Inc. Rodney Cottingham	(256) 763-1198
AZ	ASU (Outlet Not Yet Open)	IT'S A "SHORE" THING 1 LLC Larry DeRogatis, Anthony DeRogatis & Susan DeRogatis	(602) 768-6605
	1949 West Ray Road, Unit 39 Chandler Arizona 85224 (Outlet Not Yet Open)	PLAYA CHANDLER LLC	(480) 773-1856
	Mesa, AZ (Outlet Not Yet Open)	Playa Mesa LLC Zachary Markham	(480) 773-1856
	Gilbert, AZ (Outlet Not Yet Open)	PLAYA GILBERT, LLC Zachary Markham & Erica Markham	(480) 773-1855
DE	Dewey Beach, DE (Outlet Not Yet Open)	GEE BOWLS INC	(443) 350-2978

FL	Aventura, FL (Outlet Not Yet Open)	PBFL LLC	(561) 305-7100
	1100 N. Congress Avenue Boynton Beach, FL 33426 (Outlet Not Yet Open)	BOYNTON PB, LLC Joseph D. Coakley Jr.	(828) 387-1666
	Brickell, FL (Outlet Not Yet Open)	FOOD FOR HEART LLC Larry Trueheart	(804) 405-2821
	6502-6588 N State Road 7 Coconut Creek, FL 33073 (Outlet Not Yet Open)	FL PINEAPPLELAND, LLC Ricard Arguello & Darrell Casoria	(786) 400-6147
	901 S. Miami Avenue Miami, FL 33130 (Dania Beach, FL) (Outlet Not Yet Open)	PB VENTURE FLORIDA LLC Alexandra Arguello	(786) 400-6147
	444 Weston Road (Weston) Davie, FL 33326 (Outlet Not Yet Open)	PB WEST BROWARD LLC Roxanne Vogel	(954) 529-0078
	Doral, FL (Outlet Not Yet Open)	PBFL LLC	(561) 305-7100
	Las Olas, FL (Outlet Not Yet Open)	FL PINEAPPLELAND, LLC Darrell Casoria, Ricardo Arguello	(561) 305-7100
	2261 Town Center Ave, Melbourne FL 32940	Eric Myers	(760) 579-1312
	10834 SW 104th Street (Kendall) Miami, FL 33176 (Outlet Not Yet Open)	PB VENTURE FLORIDA Alexandra Arguello, Gary Yip & Dian Fini	(786) 400-6147
	Miami Beach, FL (Outlet Not Yet Open)	FOOD FOR HEART LLC Larry Trueheart	(804) 405-2821
	Naples, FL (Bonita Springs) (Outlet Not Yet Open)	BERGEN SUN & STARS LLC	(215) 760-6080
	14681 Biscayne Boulevard North Miami Beach, FL 33181 (Outlet Not Yet Open)	PB VENTURE FLORIDA Alexandra Arguello, Gary Yip & Dian Fini	(786) 400-6147
	Orlando, FL (UCF) (Outlet Not Yet Open)	PB VENTURE FLORIDA LLC Alexandra Arguello	(786) 400-6147
	700 Pier Park Drive, Unit D186 Panama City Beach, FL 32413 (Outlet Not Yet Open)	PCBOWLS LLC Jordan VanGeffen & Christoph VanGeffen	(985) 774-1893
	Pinecrest, FL (Outlet Not Yet Open)	PB VENTURE FLORIDA LLC Alexandra Arguello (PB EXPANSION LLC) Gary Yip & Dian Fini (FINI PB FLORIDA LLC)	(786) 400-6147
	Pembroke Pines, FL (Outlet Not Yet Open)	PB VENTURE FLORIDA Alexandra Arguello, Gary Yip & Dian Fini	(786) 400-6147
	10053 Cleary Boulevard Plantation, FL 33324 (Outlet Not Yet Open)	PB VENTURE FLORIDA LLC Alexandra Arguello	(786) 400-6147
	Port St. Lucie, FL (Outlet Not Yet Open)	Z BOWLS 1 LLC	(973) 229-4394

	Royal Palm Beach, FL (Outlet Not Yet Open)	Joseph D. Coakley Jr.	(828) 387-1666
	St. John's, FL (Outlet Not Yet Open)	Richard Hardman and Mark Williams	(732) 966-7716
	Sarasota (34246) (Outlet Not Yet Open)	Ethan McGown and Seth McGown	(201) 218-6364
	Tampa, FL (Outlet Not Yet Open)	Tabatha L. Castro and Pablo Reid	(856) 366-3206
	Sunrise, FL (Outlet Not Yet Open)	PB VENTURE FLORIDA LLC Alexandra Arguello	(786) 400-6147
	West Palm Beach, FL (Outlet Not Yet Open)	Z BOWLS 1 LLC Michael Zorn & Jenna Zorn	(973) 229-4394
	Wellington, FL (Outlet Not Yet Open)	Z BOWLS 1 LLC Michael Zorn & Jenna Zorn	(973) 229-4394
	Winter Garden, FL (Outlet Not Yet Open)	FOOD FOR HEART LLC Larry Trueheart	(804) 405-2821
	Winter Park, FL (Outlet Not Yet Open)	PB VENTURE FLORIDA Alexandra Arguello, Gary Yip & Dian Fini	(786) 400-6147
GA	196 Alps Road, Suite 122-A Athens, GA 30606 (Outlet Not Yet Open)	Nicholas Ransom	(732) 266-6403
	1 Galambos Way, Suite 140 Sandy Springs, GA 30328 (Outlet Not Yet Open)	Nicholas Ransom	(732) 266-6403
	1170 Temple Drive Sugar Hill, GA 30518 (Outlet Not Yet Open)	Nicholas Ransom	(732) 266-6403
IL	Chicago, IL (Outlet Not Yet Open)	JERK STORE, LLC *** Brian Cutlip, Andre Frukacz, Grant Hosking	(860) 803-7954
KY	3880 Fountain Blue Lane Lexington, KY 40513 (Lexington 1) (Outlet Not Yet Open)	WS ENTERPRISE LLC Matthew Waldman & Delorean Smith	(859) 433-4639
	Lexington, KY (Lexington 2) (Outlet Not Yet Open)	WS ENTERPRISE LLC Matthew Waldman & Delorean Smith	(859) 433-4639
	40241, KY (Outlet Not Yet Open)	SABLER LLC	(502) 807-2327
LA	Covington, LA (Outlet Not Yet Open)	NORTSHORE BOWLS LLC	(985) 774-1893
	Lafayette, LA (Outlet Not Yet Open)	PLAYA ROMA 1 LLC Stephen Roma & Heidi Roma	(732) 330-4633
	1752 Lindberg Drive Slidell, LA 70458 (Outlet Not Yet Open)	DELL TOWN BOWLS LLC Jordan VanGeffen & Christopher VanGeffen	(985) 774-1893
MD	8525 Chevy Chase Lake Terrace Chevy Chase, MD 20815 (Outlet Not Yet Open)	JDACAI Chevy Chase LLC	(303) 946-2053
	Columbia, MD (Outlet Not Yet Open)	FINNATIC ALLIANCE, LLC Jose and Sophia Finn	(206) 250-2719

	Fulton, MD (Outlet Not Yet Open)	FINNATIC ALLIANCE, LLC Jose and Sophia Finn	(206) 250-2719
	Clarksville, MD (Outlet Not Yet Open)	JDACAI Holdings LLC	(303) 946-2053
	11651 Coastal Highway Ocean City, MD 21842 (Outlet Not Yet Open)	David Eynon & Jeffrey Giuliani	(303) 946-2053
MA	65 University Ave Amherst, MA 01002 (Outlet Not Yet Open)	NORTHEAST INNOVATIVE SOLUTIONS LLC Timothy Day	(561) 305-3541
	Andover, MA (Outlet Not Yet Open)	PB Andover LLC Dana Nentin, David Swanson & Hung Lam	(617) 780-0303
	Attleboro, MA (Outlet Not Yet Open)	PB Restaurant, Inc.	(646) 460-9102
	Hingham, MA (Hanover) (Outlet Not Yet Open)	PB HINGHAM MA LLC	(617) 780-0303
	Wellesley, MA (Outlet Not Yet Open)	PB Wellesley LLC	(617) 780-0303
	Boston Metro Area (Outlet Not Yet Open)	PB Boston LLC *** Dana Nentin, David Swanson, Sarosh Nentin & Hung Lam	(617) 780-0303
	Berlin, MA (Outlet Not Yet Open)	ACAI WAVE LLC Troy Van Belle, Richard Howell, Dennis Sosa	(480) 277-3081
	Worcester, MA (Outlet Not Yet Open)	ACAI WAVE LLC Troy Van Belle, Richard Howell, Dennis Sosa	(480) 277-3081
MI	Ann Arbor, MI (Outlet Not Yet Open)	PB Ann Arbor LLC (William Kretsch & Alana Gabriel)	(248) 770-2727
NH	Bedford, NH (Outlet Not Yet Open)	PB - BEDFORD, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	Salem, NH (Outlet Not Yet Open)	PB – SALEM, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
NJ	Bernardsville, NJ (Outlet Not Yet Open)	Tom Graziano	(908) 420-7177
	84 North Walnut Street East Orange, NJ 07017 (Outlet Not Yet Open)	LIZZMONAYA LLC Lamar McCloud & Lizzette Pagan	(917) 930-8234
	Jersey City, NJ (Outlet Not Yet Open)	PBJC I LLC Kenneth Macchiavema	(732) 278-4888
	Moorestown, NJ (Outlet Not Yet Open)	Joe Wallash+C166	(609) 610-1700
	5 Lakeside Drive S North Bergen, NJ 07047 (Outlet Not Yet Open)	Raquel Calvo	(201) 725-7675
	2020 Hwy 9 Suite 103 Old Bridge, NJ 08857 (Outlet Not Yet Open)	Robert Howell	(848) 218-2600
	Robbinsville, NJ (Outlet Not Yet Open)	PBJSQ LLC Kenneth Macchiavema	(732) 278-4888

	South Orange, NJ (Outlet Not Yet Open)	LIZZMONAYA LLC Lamar McCloud & Lizzette Pagan	(917) 930-8234
	137 Egg Harbor Road, Unit H, Sewell NJ 08080 Washington Township, NJ (Outlet Not Yet Open)	Fun Fresh Fruits LLC Kristina Ann Christian & Gregory Christian	(973) 525-6773
	Vineland, NJ (Outlet Not Yet Open)	Joe Wallash	(609) 610-1700
NY	84 Front Street (DUMBO) Brooklyn, NY 11201 (Outlet Not Yet Open)	PB DUMBO LLC	(917) 607-4967
	136 Smith Street (Cobble Hill) Brooklyn, NY 11201 (Outlet Not Yet Open)	PB COBBLE HILL LLC	(917) 607-4967
	Lagrangeville, NY (Outlet Not Yet Open)	PB23, INC.	(914) 456-6764
	Manhasset, NY (Outlet Not Yet Open)	Keith Devito & Danny Volk	(917) 273-9699
	83 Murray Street New York, NY 10007 (Outlet Not Yet Open)	PB TRIBECA – WTC LLC	(917) 607-4967
	1130 Madison Avenue, New York, NY 10028 (Outlet Not Yet Open)	1130 Madison Avenue LLC	(917) 626-3631
	89 E 42nd Street (Grand Central) New York, NY 10017 (Outlet Not Yet Open)	Steve Troia	(917) 902-4851
	2 E 33rd Street New York, NY 10016 (Outlet Not Yet Open)	Steve Troia	(917) 626-3631
	Stony Brook, NY (Outlet Not Yet Open)	KENNETH SNOW ENTERPRISES INC. Kenneth Ruben	(631) 873-7883
	245 Main Street White Plains, NY10601 (Outlet Not Yet Open)	Steve Dimovski, Jarod Jackette & John Mandarino	(914) 355-1761
	Woodbury Common Premium Outlets Woodbury, NY 11797 (Outlet Not Yet Open)	PB Woodbury Commons, Inc. Dan Feder	(845) 323-6900
NC	Cary, NC (Outlet Not Yet Open)	Fortune Favors the Bowled LLC David Pokorny	(516) 241-0924
	Chapel Hill, NC (Outlet Not Yet Open)	David Eynon, Jeffrey Giuliano, & Jon Dickens	(303) 946-2053
	222 S Main Street, Suite 1A Mooresville, NC 28115 (Outlet Not Yet Open)	AraMaya, LLC Dustin Berastain & Natalie Fiore	(980) 447-0993
	Raleigh 2, NC (Outlet Not Yet Open)	Fortune Favors the Bowled LLC David Pokorny	(303) 946-2053
	Raleigh 3, NC (Outlet Not Yet Open)	Fortune Favors the Bowled LLC David Pokorny	(516) 241-0924

	Raleigh 4, NC (Outlet Not Yet Open)	Fortune Favors the Bowled LLC David Pokorny	(516) 241-0924
OH	2193 Quarry Trails Drive Columbus, OH43204 (Outlet Not Yet Open)	AMAZE BOWLS, LLC	(614) 561-4813
	Kent, OH (Outlet Not Yet Open)	Roosevelt Delbert Nix-Jones	614-832-9942
	124 W. Loveland Avenue Loveland, OH 45140 (Outlet Not Yet Open)	PLAYA LOVELAND, INC. David & Aimee Jacob	(513) 200-8078
	Polaris, OH (Outlet Not Yet Open)	AMAZE BOWLS, LLC Brett Coleman & William Coleman	(614) 561-4813
PA	2645 Street Road Bensalem, PA 19020 (Outlet Not Yet Open)	PLAYA BOWLS BENSALEM, LLC	(215) 760-6080
	Hamilton, PA (Outlet Not Yet Open)	Nicole Ryerson, John Ryerson, & Jean-Michel Mechin	(610) 417-5211
	597 E Main Street Hummelstown, PA 17036 (Outlet Not Yet Open)	Chop Chop 1, LLC C. Stine, K. Desai, C. Desai, A. Parekh, N. Mehta, and B. Moss	(717) 514-5257
	Pittsburgh, PA (Cranberry) (Outlet Not Yet Open)	John Bongiorno	(610) 996-6719
	Pittsburgh, PA (McKight) (Outlet Not Yet Open)	John Bongiorno	(610) 996-6719
	Pittsburgh, PA (Oakland) (Outlet Not Yet Open)	John Bongiorno	(610) 996-6719
	Pittsburgh, PA (Shadyside) (Outlet Not Yet Open)	John Bongiorno	(610) 996-6719
	Pittsburgh, PA (South Hills) (Outlet Not Yet Open)	John Bongiorno	(610) 996-6719
	Stroudsburg, PA (Outlet Not Yet Open)	Nicole Ryerson, John Ryerson, & Jean-Michel Mechin	(610) 417-5211
	251 Mundy Street, Suite 102 Wilkes-Barre, PA 18702 (Outlet Not Yet Open)	PLAYA BOWLS WILKES-BARRE, LLC Michael L. Bergen & Michael R. Bergen	(215) 760-6080
	Wyomissing, PA (Outlet Not Yet Open)	WideOpen LLC Nicole Ryerson, John Ryerson & Jean- Michel Mechin	(610) 417-5211
RI	East Greenwich, RI (Outlet Not Yet Open)	PB PVD-2, LLC Erik Hamel, Michael Walsh & Patrick McCue	(401) 497-4850
	Lincoln, RI (Outlet Not Yet Open)	PB PVD-1, LLC Erik Hamel, Michael Walsh & Patrick McCue	(401) 497-4850
	Providence, RI (Outlet Not Yet Open)	PB PVD, LLC Erik Hamel, Michael Walsh & Patrick McCue	(401) 497-4850
SC	Greenville, SC (Outlet Not Yet Open)	PB UPSTATE SC, LLC	(803) 404-1001

	Summerville, SC (Outlet Not Yet Open)	Shannon McAloon & Bill Merkler	(732) 927-0667
TN	5291 Airline Road, Suite 4, Arlington, TN 38002	Amy Elizabeth Lupo	(901) 277-7562
	Collierville, TN (Outlet Not Yet Open)	Amy Elizabeth Lupo	(901) 277-7562
	706 South Mendenhall Road Memphis, 38117	Amy Elizabeth Lupo	(901) 277-7562
TX	Austin, TX #1 (Outlet Not Yet Open)	TRIPE P VENTURES, LLC Marc R. Pollak	(512) 350-8466
	Austin, TX #2 (Outlet Not Yet Open)	TRIPE P VENTURES, LLC Marc R. Pollak	(512) 350-8466
	Austin, TX #3 (Outlet Not Yet Open)	TRIPE P VENTURES, LLC Marc R. Pollak	(512) 350-8466
VA	2055 15 th Street N Arlington, VA 22201 (Outlet Not Yet Open)	David Eynon & Jeffrey Giuliani	(303) 946-2053
	Ashburn, VA (Outlet Not Yet Open)	David Eynon & Jeffrey Giuliani	(303) 946-2053
	Charlottesville, VA (Outlet Not Yet Open)	Blue World LLC Christina Thanh Hoe & Chuelmin Lim	(571) 263-8949
	McLean, VA (Outlet Not Yet Open)	David Eynon & Jeffrey Giuliani	(303) 946-2053
	Richmond, VA (Outlet Not Yet Open)	Blue World LLC Christina Thanh Hoe & Chuelmin Lim	(571) 263-8949
	Roanoke, VA (Outlet Not Yet Open)	Campbell Bowls LLC	(704) 941-1826
W.A D.C	Washington, D.C. (Georgetown) (Outlet Not Yet Open)	David Eynon & Jeffrey Giuliani	(303) 946-2053
	Washington, D.C. (Navy Yards) (Outlet Not Yet Open)	JDACAI Navy Yards LLC David Eynon & Jeffrey Giuliani	(303) 946-2053

*** Franchisee signed a Multi-Unit Development Agreement.



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT H
LIST OF FRANCHISEES
THAT HAVE LEFT THE SYSTEM

FRANCHISEES THAT HAVE LEFT THE SYSTEM (January 1, 2023 to December 31, 2023)			
State	Business Location	Franchisee	Contact Information
GA	5070 Peachtree Blvd, Unit B105 Chamblee, GA 30341-2870 (Transferred to New Franchisee)	PB GEORGIA LLC Jonathan & Kacy McCall	(770) 910-4669
IL	Chicago, IL (Outlet Never Opened)	CHICAGO BOWLS 1 LLC Anthony Baffes	(708) 945-9454
NY	Long Beach, NY (Outlet Never Opened)	HAPPEL PB LLC Matthew Happel	(201) 213-0679
PA	22 North Main Street Doylestown, PA 18901-4341 (Ceased Operations for Other Reasons)	DEEZ BOWLS LLC	(267) 374-3194
VA	Williamsburg, VA (Outlet Never Opened)	James J. Golini	(609) 491-6473



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT I
STATE SPECIFIC ADDENDA

California FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. Item 5 “Initial Fees,” is supplemented by the addition of the following:

The Initial Fees disclosed within this Item 5 are inclusive of the training and safety/security measures specified by California’s “FAST Act”.

2. Item 6 “Other Fees,” is supplemented by the addition of the following:

The Initial Fees disclosed within this Item 6 are inclusive of the training and additional assistance required by California’s “FAST Act”.

3. Item 7 “Estimated Initial Investment,” is supplemented by the addition of the following:

The Initial Fees disclosed within this Item 7 are inclusive of the increased costs related to compliance with California’s “FAST Act”.

4. Item 17 “Renewal, Termination, Transfer and Dispute Resolution: The Franchise Relationship,” is supplemented by the addition of the following:

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

B. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

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

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

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

F. The Franchise Agreement requires binding arbitration. The arbitration will occur in the State of New Jersey with the costs being borne by the franchisee and franchisor.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5

Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

G. The Franchise Agreement requires application of the laws of the State of New Jersey. This provision may not be enforceable under California law.

5. Section 31125 of the California Corporations Code requires us to give you a Disclosure Document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

6. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

7. Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

8. Item 6 “Other Fees.” is supplemented by the addition of the following statement: “The highest interest rate allowed by law in the State of California is 10%.”

9. The following URL address is for the franchisor’s website: www.playabowls.com.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

10. California’s Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees or its agents make to you, (ii) our ability to rely on any representations it makes to you, or (iii) any violation of the law.

11. 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.

Connecticut FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

1. Item 3 “Litigation.” is supplemented by the addition of the following:

A. Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent

conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

B. Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the 10 year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

C. Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

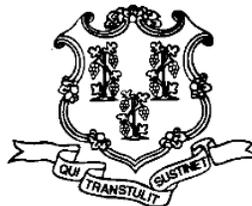
D. Neither Company nor any person identified in Item 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

2. Item 4 “Bankruptcy,” is supplemented by the addition of the following:

No entity or person listed in Items 1 and 2 of this Disclosure Document has, at any time during the previous 10 fiscal years (a) filed for bankruptcy protection, (b) been adjudged bankrupt, (c) been reorganized due to insolvency, or (d) been a principal, director, executive officer or partner of any other person that has so filed or was adjudged or reorganized, during or within one year after the period that the person held a position with the other person.

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract be cancelled.

DISCLOSURES REQUIRED BY CONNECTICUT LAW



The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

BUSINESS OPPORTUNITY DISCLOSURE

The following business opportunity disclosure is provided by Playa Bowls Franchisor LLC, a registered business in the State of Connecticut.

Disclosure Document is dated: April 8, 2024, as amended September 6, 2024

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.

Hawaii FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

Exhibit K “FDD Receipts,” is supplemented with the addition of the following:

The Receipt for this Disclosure Document (Exhibit “K”) is supplemented to add the following:

1. THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

3. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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.

Illinois FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

DISCLOSURE REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

Indiana FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

1. Item 8, "Restrictions on Sources of Products and Services," is supplemented by the addition of the following:

Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. Item 6, "Other Fees" and Item 9, "Franchisee's Obligations," are supplemented, by the addition of the following:

The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:

A. Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

B. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

C. ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.

D. ITEM 17(v) is amended to provide that franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

E. ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

Maryland FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” is supplemented, by the addition of the following:

A. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

B. A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

C. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

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

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.

Michigan FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

1. THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN

THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

A. A prohibition of your right to join an association of franchisees.

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

C. A provision that permits us to terminate a franchise before the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.

D. A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than five years, and (b) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least six months advance notice of our intent not to renew the franchise.

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

F. A provision requiring that litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of litigation, to conduct litigation at a location outside this state.

G. A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is our or Sub-franchisor's competitor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) Your or proposed transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

H. A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in Item 17(g).

I. A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services.

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

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

4. Any questions regarding this notice should be directed to: State of Michigan, Consumer Protection Division, Attention: Franchise Bureau, 670 Law Building, Lansing, MI 48913; telephone number (517) 373-3800.

Minnesota FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

ADDITIONAL RISK FACTORS:

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

2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

AMENDMENT OF FDD DISCLOSURES:

A. Item 6, "Other Fees", Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

B. Item 13, "Trademarks", Item 13 is supplemented by the addition of the following: As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized

by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

C. Item 17, “Renewal, Termination, Transfer and Dispute Resolution.” Item 17 is supplemented by the addition of the following: With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days- notice of termination (with 60 days to cure) and 180 days-notice of non-renewal of the Agreement.

D. Item 17 “Renewal, Termination, Transfer and Dispute Resolution.” Item 17 is supplemented by the addition of the following: Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

E. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

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.

New York FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

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 SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

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

B. No such party has pending actions, other than routine litigation incidental to the business, 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 the “Summary” sections of Item 17(c), titled “**Requirements for a franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

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

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum,**” and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements -- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other

person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

North Dakota FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

1. Item 5, “Initial fees”, Item 5 is supplemented by the addition of the following:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 6, “Other Fees”, Item 6 is supplemented by the addition of the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

3. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is supplemented by the addition of the following:

A. Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

B. Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

C. Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

D. Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee’s business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee’s place of business.

E. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

F. Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

G. Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

H. Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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.

Rhode Island FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is supplemented by the addition of the following:

A. The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

B. Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

Virginia FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17(h) is supplemented by the addition of the following:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or

termination stated in Playa Bowls Franchise Agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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 FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

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

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

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

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

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.

Wisconsin FDD Amendment
Amendments to the Playa Bowls
Franchise Disclosure Document

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is supplemented by the addition of the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.



STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT
AND, IF APPLICABLE, MULTI-UNIT DEVELOPMENT AGREEMENT

CALIFORNIA FRANCHISE AGREEMENT AMENDMENT

Amendments to the Playa Bowls Franchise Agreement

1. 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.

IN WITNESS WHEREOF, the parties have duly executed and delivered this California State amendment to the Playa Bowls Franchisor LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Playa Bowls Franchisor LLC **Franchisee:**

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

HAWAII FRANCHISE AGREEMENT AMENDMENT

Amendments to the Playa Bowls Franchise Agreement

In recognition of the requirements of the Hawaii Franchise Investment Law, the undersigned agree to the following modifications to the Playa Bowls Franchisor LLC Franchise Agreement (the “Franchise Agreement”), as follows:

1. Sub-Article 14.C.(6). Sub-article 14.C.(6), under the Article section titled “Conditions for Approval of Transfer,” is supplemented by the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this Sub-article contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

2. Sub-Article 15.B.(8). Sub-article 15.B.(8), under the Article section titled “Conditions for Renewal,” is supplemented by the addition of the following:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this subarticle contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

3. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this amendment.

4. 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 TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Hawaii State amendment to the Playa Bowls Franchisor LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Playa Bowls Franchisor LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

ILLINOIS FRANCHISE AND DEVELOPMENT AGREEMENT AMENDMENT

Amendments to the Playa Bowls Franchise Agreement

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 to 705/45, and Ill. Admin. Code tit. 15, §200.100 et seq., the undersigned agree to the following modifications to the Playa Bowls Franchisor LLC Franchise Agreement (the “Franchise Agreement”) and, if Franchisor and Franchisee both sign the Playa Bowls Franchisor LLC Multi-Unit Development Agreement (the “Development Agreement”), as follows:

1. Article 18.F. of the Franchise Agreement, and if Franchisee executes a Development Agreement, Article 7.5 of the Development Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added after the end of the last sentence of Article 18.F. of the Franchise Agreement and Article 7.5 of the Development Agreement:

Illinois Addendum: Illinois law governs the agreements between the parties to this franchise.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.

Franchisee’s rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of Illinois is void.

2. Article 18.G. of the Franchise Agreement, and if Franchisee executes a Development Agreement, Article 7.6 of the Development Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added after the end of the last sentence of Article 18.G. of the Franchise Agreement and Article 7.6 of the Development Agreement:

Illinois Addendum: Illinois law governs the agreements between the parties to this franchise.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.

Franchisee’s rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of Illinois is void.

3. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45) are met independently without reference to this amendment.

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

IN WITNESS WHEREOF, the parties have duly executed and delivered this Illinois amendment to the Playa Bowls Franchisor LLC Franchise Agreement and, if applicable, the Development Agreement on the same date as the Franchise Agreement and Development Agreement were, respectively, executed.

Franchisor: Playa Bowls Franchisor LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

MARYLAND FRANCHISE AND DEVELOPMENT AGREEMENT AMENDMENT

Amendments to the Playa Bowls Franchise Agreement

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Playa Bowls Franchisor LLC Franchise Agreement (the “Franchise Agreement”) and, if Franchisor and Franchisee both sign the Playa Bowls Franchisor LLC Multi-Unit Development Agreement (the “Development Agreement”), as follows:

1. The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.
2. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction,” shall be amended by the addition of the following statement added to Article 18.G. of the Franchise Agreement:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Article 18.I. of the Franchise Agreement, under the heading “Limitations of Claims,” shall be amended by the addition of the following statement added to Article 18.I. of the Franchise Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.
7. 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 TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Maryland amendment to the Playa Bowls Franchisor LLC Franchise Agreement and, if applicable, the Development Agreement on the same date as the Franchise Agreement and Development Agreement were, respectively, executed.

Franchisor: Playa Bowls Franchisor LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

MINNESOTA FRANCHISE AND DEVELOPMENT AGREEMENT AMENDMENT

Amendments to the Playa Bowls Franchise Agreement

In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached Playa Bowls Franchisor LLC Franchise Agreement (the “Franchise Agreement”) and, if Franchisor and Franchisee both sign the Playa Bowls Franchisor LLC Multi-Unit Development Agreement (the “Development Agreement”), as follows:

1. Article 14.C of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” subarticle 14.C(6) is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.

2. Article 15.B of the Franchise Agreement, under the heading “Conditions for Renewal,” sub article 15.B(8) is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.

3. Under Article 11 of the Franchise Agreement, under the heading “Notification of Infringement and Claims,” the subarticle 11.C. shall be supplemented by the addition of the following:

Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee’s use of the Marks when, in the opinion of Franchisor’s counsel, Franchisee’s rights warrant protection pursuant to Article 11.E. of this Agreement.

4. Under Article 14 of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” the subarticle 14.C. shall be supplemented by the addition of the following:

Franchisor shall not unreasonably withhold consent to transfer the Franchise Agreement.

5. Under Article 16 of the Franchise Agreement, under the heading “Defaults and Automatic Termination Upon Written Notice Without Cure Period,” the subarticle 16.A.(2). shall be supplemented by the addition of the following:

Article 16.A.(2) will not be enforced to the extent prohibited by applicable law.

6. Under Article 16 of the Franchise Agreement, under the heading “Defaults and Automatic Termination After 30 Day Cure Period,” the subarticle 16.A.(4)(f), shall be supplemented by the addition of the following:

Subarticle 16.A.(4)(f) will not be enforced to the extent prohibited by applicable law.

7. Under both subarticles 16.A.(2) and 16.A.(4) of the Franchise Agreement, the following is added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days-notice of termination (with 60 days to cure) of this Agreement.

8. Article 18.F. of the Franchise Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.F.:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Article 18.G. of the Franchise Agreement and, if Franchisee executes a Development Agreement, Article 7.6 of the Development Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.G. of the Franchise Agreement and Article 7.6 of the Development Agreement:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 18.K of the Franchise Agreement, and if Franchisee executes a Development Agreement, Article 7.10 of the Development Agreement, under the heading “Waiver of Jury Trial”, shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 18.K. of the Franchise Agreement and Article 7.10 of the Development Agreement:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

11. Article 18.I. of the Franchise Agreement and, if Franchisee executes a Development Agreement, Article 7.8 of the Development Agreement, under the heading “Limitations of Claims,” shall be supplemented by the addition of the following statement:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

12. Article 18 of the Franchise Agreement and if Franchisee executes a Development Agreement, Article 7 of the Development Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise Agreement and Article 7.24 of the Development Agreement:

Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act.

13. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment.

14. 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.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to the Playa Bowls Franchisor LLC Franchise Agreement and, if applicable, the Development Agreement on the same date as the Franchise Agreement and Development Agreement were, respectively, executed.

Franchisor: Playa Bowls Franchisor LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

NEW YORK FRANCHISE AND DEVELOPMENT AGREEMENT AMENDMENT

Amendments to the Playa Bowls Franchise Agreement

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Playa Bowls Franchisor LLC Franchise Agreement (the “Franchise Agreement”) and, if Franchisor and Franchisee both sign the Playa Bowls Franchisor LLC Multi-Unit Development Agreement (the “Development Agreement”), as follows:

1. Under Article 14.C of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” the subarticle 14.C(6) is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Under Article 15.B of the Franchise Agreement, under the heading “Conditions for Renewal,” the subarticle 15.B(8) is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

3. Article 18 of the Franchise Agreement and, if Franchisee executes a Development Agreement, Article 7 of the Development Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise Agreement and Article 7.24 of the Development Agreement:

Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by Playa Bowls Franchisor LLC would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York if you are domiciled in New York or the Outlet will be opening in New York. Playa Bowls Franchisor LLC is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York General Business Law, are met independently without reference to this amendment.

6. 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 TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this New York amendment to the Playa Bowls Franchisor LLC Franchise Agreement and, if applicable, the Development Agreement on the same date as the Franchise Agreement and Development Agreement were, respectively, executed.

Franchisor: Playa Bowls Franchisor LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

NORTH DAKOTA FRANCHISE AGREEMENT AMENDMENT

Amendments to the Playa Bowls Franchise Agreement

In recognition of the North Dakota Franchise Investment Law, Section 51-19, the parties to the attached Playa Bowls Franchisor LLC Franchise Agreement (the “Franchise Agreement”) agree as follows:

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your Playa Bowls Shop outlet will be located within the State of North Dakota.

1. Article 15 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring North Dakota franchisees to sign a general release upon renewal of the Franchise Agreement are not enforceable in North Dakota.”

2. Article 16 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring North Dakota franchisees to consent to termination or liquidated damages are not enforceable in North Dakota.”

3. Articles 6 of the Franchise Agreement are hereby amended by the addition of the following language: “Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

4. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.”

5. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “for North Dakota franchisees, North Dakota law shall apply.”

6. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.”

7. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.”

8. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply.”

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.

10. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this North Dakota amendment to the Playa Bowls Franchisor LLC Franchise Agreement a on the same date as the Franchise Agreement was executed.

Franchisor: Playa Bowls Franchisor LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

WASHINGTON STATE FRANCHISE AGREEMENT AMENDMENT

Amendments to the Playa Bowls 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 in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

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 TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Washington State amendment to the Playa Bowls Franchisor LLC Franchise Agreement a on the same date as the Franchise Agreement was executed.

Franchisor: Playa Bowls Franchisor LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT J
STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the 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:

<u>Effective Dates</u>	
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT K
RECEIPTS

Playa Bowls Franchisor LLC
RECEIPT

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

If Playa Bowls Franchisor LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale, or sooner if required by applicable law.

Applicable state laws in New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Playa Bowls Franchisor LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified in Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

The Issuance Date of this Disclosure Document is: April 8, 2024, as amended September 6, 2024

The franchise sellers for this offering are:

Name	Principal Business Address	Telephone Number
Dan Harmon	803 Ocean Avenue, Belmar, New Jersey 07719	(732) 257-8604
Jayson Tipp	803 Ocean Avenue, Belmar, New Jersey 07719	(732) 257-8604
Corey Bowman	7086 Corporate Way, Dayton, Ohio 45459	(208) 818-8026

I received a Disclosure Document issued on April 8, 2024, as amended September 6, 2024, that included the following exhibits:

A. List of State Administrators	G. List of Franchisees
B. List of Agents for Service of Process	H. List of Franchisees Who Have Left the System
C. Operations Manual Table of Contents	I. State Specific Addenda
D. Financial Statements	J. State Effective Dates
E. Franchise Agreement	K. Receipts
F. Multi-Unit Development Agreement	

Date	Print Name	Signature
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Date	Print Name	Signature
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Please sign this copy of the receipt, date your signature, and return it to Playa Bowls Franchisor LLC, 803 Ocean Avenue, Belmar, New Jersey 07719.

Playa Bowls Franchisor LLC
RECEIPT

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

If Playa Bowls Franchisor LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale, or sooner if required by applicable law.

Applicable state laws in New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Playa Bowls Franchisor LLC does not deliver this Disclosure Document on time of if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified in Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

The Issuance Date of this Disclosure Document is: April 8, 2024, as amended September 6, 2024

The franchise sellers for this offering are:

Name	Principal Business Address	Telephone Number
Dan Harmon	803 Ocean Avenue, Belmar, New Jersey 07719	(732) 257-8604
Jayson Tipp	803 Ocean Avenue, Belmar, New Jersey 07719	(732) 257-8604
Corey Bowman	7086 Corporate Way, Dayton, Ohio 45459	(208) 818-8026

I received a Disclosure Document issued on April 8, 2024, as amended September 6, 2024, that included the following exhibits:

A. List of State Administrators	G. List of Franchisees
B. List of Agents for Service of Process	H. List of Franchisees Who Have Left the System
C. Operations Manual Table of Contents	I. State Specific Addenda
D. Financial Statements	J. State Effective Dates
E. Franchise Agreement	K. Receipts
F. Multi-Unit Development Agreement	

Date	Print Name	Signature
_____	_____	_____

Date	Print Name	Signature
_____	_____	_____

Please sign this copy of the receipt, date your signature, and return it to Playa Bowls Franchisor LLC, 803 Ocean Avenue, Belmar, New Jersey 07719.