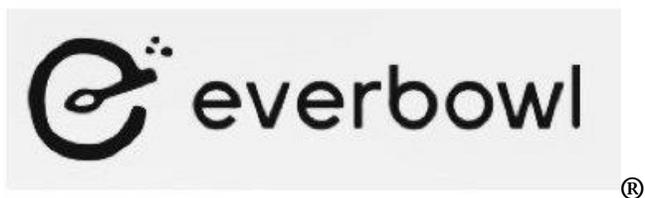


## FRANCHISE DISCLOSURE DOCUMENT



**Everbowl Franchise, LLC**  
a California limited liability company  
1300 Specialty Drive, #100  
Vista, California 92081  
Phone: (760) 330-9001  
franchise@everbowl.com  
www.everbowl.com

The franchise is the right to develop, own and operate a single store that specializes in the retail sale of health food bowls, smoothies, toppings, beverages and other related products under the everbowl® brand. The total investment necessary to begin operation of an everbowl store ranges from \$213,540 to \$475,750. This includes \$142,750 to \$194,500 that must be paid to the franchisor and/or its affiliates.

The total investment necessary to acquire multi-unit development rights is in the range of \$112,500 to 187,500 (for a typical development deal of 3 to 5 everbowl stores), all of which is paid to the franchisor.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Erik Hansen at 1300 Specialty Dr., #100, Vista, CA 92081 and (760) 330-9001.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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: June 11, 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only everbowl business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be an everbowl franchisee?</b>	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 us by arbitration or litigation in California. Out of state arbitration and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate and litigate with us in California than in your own state.
2. **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.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
4. **Supplier Control.** You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliate, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.
5. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
6. **Unopened Franchises.** The franchisor has 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 may also experience delays in opening your own outlet.

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.

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY  
MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

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

- (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 the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations 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  
Consumer Protection Division  
Attn: Franchise  
670 G. Mennen Williams Building  
525 West Ottawa  
Lansing, Michigan 48933  
Telephone Number: (517) 373-7117

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce this section as written.

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

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### **EXHIBITS**

A	State Agencies/Agents for Service of Process
B	Franchise Agreement
C	Multi-Unit Development Agreement
D	Lists of Franchisees & Those Franchisees Who Have Left the System or Not Communicated with Franchisor
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G	Table of Contents to the Operations Manual
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**ITEM 1**  
**FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this franchise disclosure document (this “Disclosure Document”), we use the terms “Franchisor” or “we” to refer to the franchisor, Everbowl Franchise, LLC. When we refer to our affiliates, we will refer to them using the names outlined below. “You” means the person or entity that buys the franchise. If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement (defined below) and related agreements will also apply to your owners.

**Franchisor**

We are a California limited liability company that was formed on September 20, 2018. Our principal place of business is 1300 Specialty Drive, #100, Vista, CA 92081. We do business under our corporate name and under the name “everbowl®”. We were formed to serve as the franchisor of everbowl Stores (as defined below). We have been selling franchises for everbowl Stores since December 2019. From April 2021 to May 2023, we also offered franchises for the establishment of area representative businesses that solicit and screen prospective franchisees for the everbowl Stores and provide certain services to everbowl franchisees on our behalf. As of December 31, 2023, there were 3 area representatives in the everbowl system. Except as disclosed above, we have never conducted any other business or offered franchises in any other line of business. While our affiliates have owned and operated everbowl Stores since 2016, we have never owned or operated everbowl Stores.

Our Chief Executive Officer, Jeff Fenster, is our agent for service of process in California. Our other agents for service of process in states which require franchise registration are listed in Exhibit A.

**Our Predecessor, Parents and Affiliates**

We have no predecessors.

Our parent, Everbowl Holdings, LLC (“Parent”), shares our principal address.

Our affiliate, Everbowl IP, LLC (“Everbowl IP”), shares our principal address and owns the trademarks used by everbowl Stores. Everbowl IP has granted us a license to use and sublicense the use of those items to our franchisees. Everbowl IP has not been involved in any other business, has never owned or operated everbowl Stores, and has never offered franchises in this or any other line of business.

Our affiliate, WeBuild Stuff, LLC (“WeBuild Stuff”), shares our principal address and is the exclusive manufacturer of all custom furniture and fixtures for everbowl Stores. As a full manufacturing facility, WeBuild Stuff fabricates the design, sources, manufactures, and installs the millwork component build of everbowl Stores, and it also handles research and development as it relates to new company displays or store designs. WeBuild Stuff has not been involved in any other business, has never owned or operated everbowl Stores, and has never offered franchises in this or any other lines of business.

Our affiliate, Unevolve Products, LLC (“Unevolve Products”), shares our principal address and is the exclusive supplier to Everbowl Stores of certain branded merchandise. Unevolve Products has not been involved in any other business, has never owned or operated Everbowl Stores, and has never offered franchises in this or any other lines of business.

Our affiliate, Everbowl GC, LLC (“Everbowl GC”), shares our principal address and handles all gift card transactions for everbowl Stores. Everbowl GC has not been involved in any other business, has never owned or operated everbowl Stores, and has never offered franchises in this or any other lines of business.

## **Description of Franchise**

Under this disclosure document, we offer franchises for the right to develop, own and operate retail establishments that offer and sell superfood-based bowls, smoothies, and other related retail products and services that we periodically designate (each, an “everbowl Store”). everbowl Stores operate using our operating system (the “System”) and are identified by the “everbowl®” trademark as well as other trademarks, trade names, symbols and/or logos that we designate, both now and in the future (the “Marks”). The everbowl Store you would operate is referred to in this Disclosure Document as the “Store.” To acquire the franchise to develop and operate the Store, you would be required to sign a written franchise agreement, the current form of which is attached as Exhibit B to this Disclosure Document (the “Franchise Agreement”). The Franchise Agreement will allow you to establish and operate the Store at a specifically identified location.

If you request, and we determine you are qualified, we will offer to you the right to enter into a multi-unit development agreement in the form attached as Exhibit C to this Disclosure Document (the “Multi-Unit Development Agreement”). Under the Multi-Unit Development Agreement, you will commit to acquiring franchises for 3 to 5 everbowl Stores within a specifically described geographic territory (“Development Area”). Prior to signing the Multi-Unit Development Agreement, you and we will agree on, and the Multi-Unit Development Agreement will reflect, a description of the Development Area and the development schedule by which you must open the required number everbowl Stores to fulfill your development obligation (the “Development Schedule”). You will acquire each franchise by signing a Franchise Agreement. You will be required to sign the 1<sup>st</sup> Franchise Agreement (in the form attached hereto as Exhibit B) when you sign the Multi-Unit Development Agreement. You will sign each subsequent Franchise Agreement as we approve your proposed sites for everbowl Stores. The form of Franchise Agreement you will sign at that time will be our then-current form, and it may contain terms and conditions that are materially different than those in the form attached as Exhibit B to this Disclosure Document, except that your initial franchise fee under each Franchise Agreement will be \$37,500. We will apply the development fee in increments of \$37,500 to the initial franchise fee that is required to be paid under the Franchise Agreements that you may execute pursuant to the Multi-Unit Development Agreement, subject in the aggregate, to a maximum amount equal to the development fee. If you and your affiliates are not in default of any agreement with us or our affiliates, then within 30 days after you complete your development obligations under the Multi-Unit Development Agreement, we will pay you the following amount: \$11,250, if the Development Schedule required you to develop 3 everbowl Stores; \$22,500, if the Development Schedule required you to develop 4 everbowl Stores; and \$46,875 if the Development Schedule required you to develop 5 everbowl Stores.

## **Market and Competition**

The health food and smoothie markets are developed and competitive. You will be in competition generally with any restaurant, food service, supermarket, retail business, delivery service and other businesses, including those that are owned, operated or franchised by our affiliates, that offer health food items and smoothies, and, particularly with those that offer superfood bowls and smoothies with various healthy toppings (including those products that are similar to the health food, smoothies and yogurt based products that are offered by everbowl Stores), or whose menu, concept, business model or method of operation is similar to that employed by an everbowl Store. While the products sold by everbowl Stores are generally healthy products, they are of interest to all consumers and are not targeted to a specific type of consumer. everbowl Stores are generally no more seasonal than any other business that sells freshly prepared food products to consumers.

## **Industry Regulations**

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local departments of health and other agencies have laws and regulations concerning the preparation of food, display of nutrition facts, and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. There may be other laws applicable to your business. We urge you to make further inquiries about these laws.

## **ITEM 2** **BUSINESS EXPERIENCE**

### **Chief Executive Officer: Jeff Fenster**

Mr. Fenster, our founder, has been our Chief Executive Officer since our formation in September 2018, and he has served in that same capacity with our affiliate, EBSD, LLC since October 2016 and with Parent since its inception in June 2020. All of Mr. Fenster's positions with us and our affiliates were and are based in Vista, California.

### **Chief Operating Officer: Erik Hansen**

Mr. Hansen has been our Chief Operating Officer since April 2019. From May 2020 to November 2023, Mr. Hansen served as our Chief Financial Officer. All of Mr. Hansen's positions with us were and are based in Vista, California.

### **Brand President: Trevor J. Sacco**

Mr. Sacco has been our Brand President since August 2022 and also serves as the Chief Executive Officer of Naked Products, Inc. in Beverly Hills, California since October 2018. Mr. Sacco's position with us is based in Vista, California.

**Chief Development Officer: Brian Augustine**

Mr. Augustine has been our Chief Development Officer since our formation in September 2018. Mr. Augustine’s position with us is based in Vista, California.

**Chief Financial Officer: Matthew Lisowski**

Mr. Lisowski has been Parent’s Chief Financial Officer since January 2024. Previously, Mr. Lisowski served as our Vice President of Finance and Procurement from April 2023 to December 2023. From March 2019 to April 2023, Mr. Lisowski was the Chief Financial Officer and Chief Operating Officer of Stella Polly Inc. in San Diego, California. Mr. Lisowski’s position with Parent and us were and are based in Vista, California.

**Vice President of Operations: Shelli Ortega**

Ms. Ortega has been our Vice President of Operations since March 2023. From April 2022 to March 2023, Ms. Ortega served as our Director of Operations. From February 2019 to March 2022, Ms. Ortega served as the Director of Operations for Focus Brands in Atlanta, Georgia. Ms. Ortega’s positions with us were and are based in Vista, California.

**ITEM 3  
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4  
BANKRUPTCY**

*In Re Jeffrey Stuart Fenster* (Case No. 14-02626-LT7; Bankruptcy Court, Southern District of California). On April 2, 2014, Jeffrey Fenster, our Chief Executive Officer, filed a personal Chapter 7 bankruptcy petition after being the victim of identity theft. Mr. Fenster’s address is 1300 Specialty Drive, #100, Vista, California 92081. The discharge date was July 14, 2014.

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

**ITEM 5  
INITIAL FEES**

**Initial Franchise Fee:** You must pay to us an initial franchise fee of \$37,500 upon executing the Franchise Agreement. The initial franchise fee is payable in a lump sum, fully earned upon your execution of the Franchise Agreement, and is not refundable under any circumstances. During our last fiscal year, which ended on December 31, 2023, our franchisees paid initial franchise fees ranging from \$20,000 to \$30,000.

We currently discount the initial franchise fee payable for purchase of a single everbowl unit franchise by qualifying veterans who have been honorably discharged from any branch of the United States military before applying to become a franchisee. The veteran’s discount is 15% off the initial franchise fee (\$5,625). The discount is only available for the first everbowl Store

purchased. If the franchisee is not a natural person, the veteran participant must maintain at least a 51% ownership interest in the entity to qualify for this discount.

**On-Site Evaluations:** We may, at our option, conduct an on-site evaluation of the location you propose for the Store, and, if we do, you must reimburse our expenses in conducting the evaluation, which we estimate will be between \$1,000 and \$5,000 depending on the distance we have to travel. This amount is payable in a lump sum, as invoiced, and is not refundable.

**Site Survey:** You must pay us in lump sum a non refundable site survey fee (the “Site Survey Fee”) of \$3,500 to prepare a site-survey report for the approved premises of the Store.

**Pre-Opening Purchases and Supplies:** Our affiliates sell the following items to our franchisees:

- **Store Build Kit and Installation:** Our affiliate, WeBuild Stuff, is the sole vendor that sells and installs the Store build kits at everbowl Stores. The Store build kit includes certain interior signage, wallpaper, certain millwork, and related items. Depending on the size and layout of the Store, your cost of purchasing and installing the Store build kit will be in the range of \$71,000 to \$85,000. This amount is payable in a lump sum, as invoiced, and is not refundable.
- **Furniture, Fixture, and Equipment:** The cost of furniture, fixture, and equipment package will be in the range of \$20,000 to \$50,000 depending on the number and specifications of the products you choose to purchase. The furniture, fixture, and equipment package includes tables, chairs, dipping cabinets, topping stations, grab-and-go merchandisers, freezers, racks, preparation tables, lockers, refrigerators, and TVs. The foregoing amount is payable in lump sum upon the issuance of invoice by WeBuild Stuff, and is not refundable.
- **Operation Kit:** The cost of operation kit is \$3,500, and it includes knives, chopping boards, shelf tags, drying racks, trash cans, and certain other kitchen tools. The foregoing amount is payable in lump sum upon the issuance of invoice by WeBuild Stuff and is not refundable.
- **Branded Merchandise & Employee Uniforms:** The cost of opening inventory of branded merchandise and employee uniforms will be in the range of \$1,250 to \$4,000. The foregoing amount is payable in lump sum upon the issuance of invoice by Unevolve Products, and is not refundable.
- **Point-of-Sale System:** The cost of point-of-sale system is \$3,500, and it is payable in lump sum upon the issuance of invoice by WeBuild Stuff, and is not refundable.

**Grand Opening Advertising Campaign:** We require you to pay us in lump sum a non-refundable amount of \$2,500 out of your minimum grand opening advertising spend of \$10,000 to conduct the digital advertising campaign for the Store. You must spend the remainder of the minimum grand opening advertising amount within 90 days of the opening of the Store in the manner approved by us.

**Development Fee:**

If we award you the right to acquire multiple franchises for everbowl Stores within a given Development Area, you must commit to developing and opening at least 3 everbowl Stores and at the most 5 everbowl Stores and pay us a one-time development fee in lump sum upon your execution of the Multi-Unit Development Agreement. Your development fee will depend on the number of everbowl Stores you commit to develop and open within the Development Area, and is calculated by multiplying \$37,500 by the number of everbowl Stores you commit to develop. Therefore, if you commit to develop 3 everbowl Stores, then you will pay a development fee equal to \$112,500; if you commit to developing 4 everbowl Stores, then you will pay a development fee equal to \$150,000; and if you commit to developing 5 everbowl Stores, then you will pay a development fee equal to \$187,500.

We will apply the development fee, in \$37,500 increments, to the initial franchise fee that is required to be paid under the Franchise Agreements that you may execute pursuant to the Multi-Unit Development Agreement, subject in the aggregate, to a maximum amount equal to the development fee. The development fee is payable in lump sum and is non-refundable.

Concurrently with the execution of the Multi-Unit Development Agreement, you must execute a Franchise Agreement for the first Store to be developed in satisfaction of your development obligation the Multi-Unit Development Agreement.

If you and your affiliates are not in default of any agreement with us or our affiliates, then within 30 days after you complete your development obligations under the Multi-Unit Development Agreement, we will pay you the following amount: \$11,250, if the Development Schedule required you to develop 3 everbowl Stores; \$22,500, if the Development Schedule required you to develop 4 everbowl Stores; and \$46,875 if the Development Schedule required you to develop 5 everbowl Stores.

**ITEM 6  
OTHER FEES**

<b>Fees <sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	6% of Gross Sales <sup>2</sup>	Weekly, on the date we specify (currently, Monday)	Royalty Fees are calculated based on Gross Sales for the previous week and are paid electronically. See Note 2 below for the definition of “Gross Sales.”
Marketing Fee	Currently, 2% of Gross Sales	Weekly, payable in the same manner as the Royalty Fee	With 30 days’ prior written notice, we may increase the amount of your Marketing Fee to up to 3% of Gross Sales.

<b>Fees <sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Technology Fee	\$250 per month	Monthly, as invoiced	We may increase the amount of Technology Fee upon notice to you.
On-site Opening Assistance	Our actual cost	As invoiced	We will provide up to 1 week of on-site opening assistance. You must reimburse us for our expenses incurred while providing opening assistance, including our personnel's travel expenses and lodging, all of which is payable after the opening of the Store. We estimated this cost to be in the range of \$2,590 to \$6,250.
Interest	18% or highest legal rate	As incurred	Payable on all overdue amounts; accrues from the due date until paid.
Prohibited Product Fee	\$500 per day	As incurred	This fee is payable each day that you offer or sell goods or services at the Store that we have not prescribed, approved or authorized for sale at everbowl Stores.
Initial Training of Additional or Replacement Personnel	Our then-current per person training fee (currently, \$1,750 per person).	Before training	We may charge a training fee for providing pre-opening initial training to anyone other than your required trainees (i.e., you (or your Operating Principal), the Store Lead, and 2 other store employees). We also charge a training fee for providing initial training to your replacement required trainees.
Additional On-Site Training	Our then-current per diem rate per trainer (currently, \$250), plus expenses.	As invoiced	If you request that we provide additional training at the Store, and if we agree to provide such training, you must pay our daily fee for each trainer we send to the Store, and you must reimburse each trainer's expenses, including travel, lodging and meals.
Additional or Refresher Training	Currently not charged	As incurred	We may charge a fee for additional or refresher training programs that we mandate or make available to you. We estimate that additional or refresher training fee will in the range of \$500 and \$1,500 per person

<b>Fees <sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Transfer Fee (Franchise Agreement and Multi-Unit Development Agreement)	Greater of \$5,000 or 5% of the purchase price, plus \$2,500 to cover our expenses for document review and preparation	Prior to our approval of a transfer	The transfer fee is \$1,000 for transfer of direct or indirect ownership interests in you amongst your existing owners as long as the transfer, alone or together with any other transfers, does not result in the creation of a new Controlling Principal or causing a Controlling Principal to no longer control you. Controlling principal is one of your owners who we reasonably determine from time to time, either because of the extent of their direct or indirect ownership interests in you or the nature of the authority you grant to them, control you or any governing board, your management decisions, or your business. The transfer fee is subject to applicable laws.
Renewal Fee (Franchise Agreement)	50% of our then-current initial franchise fee	Prior to renewal	Payable if we approve you to acquire a successor franchise for the Store.
Product and Supplier Evaluation Fee	\$1,000	Upon request for approval of product or supplier	Payable if you request that we evaluate a product or supplier that we have not previously approved.
Reinspection & Audit Fee	Our actual cost	As invoiced	Payable only if (i) we find, after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more, or (ii) if we conduct follow-up inspections of the Store after an audit or inspection of the Store identifies failure to comply with System Standards. If any audit reveals understatement of amounts payable to us, then you must also pay the understated amount plus interest thereon. We estimate the re-inspection and audit fee to in the range of \$1,000 and \$5,000 per audit.
Late Reporting Fee	\$100 per day per occurrence	As incurred	This fee is payable upon each occurrence of a late report that is owed to us. The fee will be charged to you daily until the required report is received.
Manual or Training Video Replacement Fee	\$5,000	As invoiced	If you request additional or replacement copies of the Manual or any training video we provide you.

<b>Fees <sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Liquidated Damages	Will vary	Within 15 days following termination of the Franchise Agreement	If we terminate the Franchise Agreement based on your default or if you terminate without cause then you will pay us liquidated damages in an amount equal to the average weekly Royalty Fees you paid or owed to us during the 52 weeks preceding the termination multiplied by the lesser of (a) 104 (representing the number of weeks in 2 full years), or (b) the number of weeks remaining on the term of the Franchise Agreement had it not been terminated.
Costs and Attorneys' Fees	Our actual costs	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your agreement.
Indemnification	Our actual costs	On demand	You must reimburse us, our affiliates, owners, and officers for costs (including reasonable attorneys' fees, court costs, settlement amounts, awards, judgments, etc.) incurred by us and them in defending claims relating to the development and operation of the Store and the business you operate pursuant to your Franchise Agreement and Multi-Unit Development Agreement, as applicable.
Insurance Premiums	Our actual costs	On demand	Payable only if you do not maintain the required insurance coverage, and we exercise our right (but not the obligation) to obtain insurance on your behalf. You must, in that event, reimburse the costs of the insurance premium plus a 15% administrative fee. We estimate this cost to be in the range of \$1,200 to \$4,000, plus a 15% administrative fee.
Management Fee	15% of Gross Sales, plus expenses	As incurred	We may step in and manage the Store in certain circumstances, such as death, disability or prolonged absence. We will charge a management fee if we manage the Store, and you must reimburse our expenses.
Relocation Fee	\$2,500, plus out-of-pocket expenses	Prior to relocation	Payable if you request that we approve your request to relocate the Store to another location that is acceptable to us.

<b>Fees <sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Purchase of Branded Products	Will vary as inventory is sold	As incurred	You must purchase your continuing supply of branded items (such as t-shirts, sweatshirts, hats, bracelets, mugs, etc.) from an approved supplier, which may be us or our affiliate.
Costs of Testing Sample Food and Non-Food Items in The Store	Our actual costs	On demand	You must reimburse us for the fees and expenses that we pre-pay on your behalf, including expenses related to testing food or non-food items from your inventory to determine whether such samples meet our then-current standards.
Costs of Curing Operational Deficiencies on Your Behalf	Our actual costs	On demand	You must reimburse us for the fees and expenses that we pay on your behalf, including fees related to cure deficiencies detected during the inspection of the Store.
Costs of Participation in Mystery Shop Program	Our actual costs	On demand	You must reimburse us for the fees and expenses that we pay on your behalf, including expenses for any “mystery shop” quality control and evaluation programs we establish or mandate with respect to everbowl Stores.
Costs of De-Identification of Premises on Expiration or Termination	Our actual costs	On demand	You must reimburse us for the fees and expenses that we pay on your behalf, including fees incurred to make the modifications or alterations necessary to de-identify and distinguish the appearance of the Store premises from that of other everbowl Stores after the expiration or termination of the Franchise Agreement, as necessary.

**Notes:**

1. Unless noted differently, all the fees in this Item 6 are payable to us or our affiliates and non-refundable. We have negotiated some of the fees disclosed in Item 6 with certain franchisees on a case by case basis.

2. “Gross Sales” means the total selling price of all services and products sold and all income of every other kind and nature related to the Store, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the electronic cash register system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes the following:

- (a) receipts from products sold from pre-approved vending machines located at the Store, except for any amount representing your share of the revenues;

(b) sales taxes collected directly from customers and actually paid to the appropriate taxing authority; and

(c) proceeds from isolated sales of trade fixtures neither constituting any part of your products and services offered for resale at the Store, nor having any material effect on the ongoing operation of the Store required under the Franchise Agreement.

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

We have the right to poll your point-of-sale system directly to obtain Gross Sales and other information regarding the operation of the Store. If, for any reason, we are unable to independently verify your Gross Sales by accessing your point-of-sale system, you will report your Gross Sales to us on the date and in such format as we may require. If we are unable to independently verify or you fail to timely report the Store’s Gross Sales, we may debit your account for 120% of the last Royalty Fee and Marketing Fee that we debited. If the Royalty Fee and Marketing Fee we debit are less than the Royalty Fee and Marketing Fee that you actually owe us, once we are able to determine the Store’s true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and Marketing Fee we debit are greater than the Royalty Fee and Marketing Fee you actually owe, we will credit the excess against the amount we would otherwise debit from your account during the following week.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT – FRANCHISE AGREEMENT**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee <sup>1</sup>	\$37,500	Lump sum	Upon execution of Franchise Agreement	Us
Site Survey Fee <sup>2</sup>	\$3,500	Lump sum	Upon our invoice	Us
Architect and Engineer Fees and Related Permits <sup>3</sup>	\$8,000 to \$25,000	As arranged with third-party Suppliers	As agreed with third-party Suppliers	Third-party Suppliers
On-Site Evaluation and Leasehold Improvements <sup>4</sup>	\$20,000 to \$150,000	Lump sum to us; as arranged with third-party Suppliers	Upon our invoice; as agreed with third-party Suppliers	Us and third-party Suppliers
Store Build Kit and Installation Cost <sup>5</sup>	\$71,000 to \$85,000	Lump sum	As invoiced	Our affiliate
Furniture, Fixtures & Equipment <sup>6,9</sup>	\$20,000 to \$50,000	Lump sum or as arranged	As agreed	Our affiliate or third-party Suppliers

## YOUR ESTIMATED INITIAL INVESTMENT – FRANCHISE AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Operation Kits <sup>7,9</sup>	\$3,500	Lump sum	As incurred	Our affiliate or third-party Suppliers
Branded Merchandise and Employee Uniforms <sup>8,9</sup>	\$1,250 to \$4,000	Lump sum	As incurred	Our affiliate or third-party Suppliers
Point-of-Sale System <sup>9</sup>	\$3,500	As arranged	As agreed	Our affiliate or third-party Suppliers
Exterior Signage <sup>10</sup>	\$2,000 to \$12,000	Lump sum or as arranged	As agreed	Third-party Suppliers
Rent (3 Months) <sup>11</sup>	\$6,000 to \$21,000	As arranged	As agreed	Third-party Suppliers
Travel & Living Expenses While Training <sup>12</sup>	\$3,000 to \$7,000	Lump sum	As incurred	Third-party Suppliers
Security Deposits <sup>13</sup>	\$2,000 to \$10,000	Lump sum	As arranged	Third-party Suppliers
Professional Fees <sup>14</sup>	\$1,000 to \$5,000	As arranged	As arranged	Third-party Suppliers
Licenses and Permits <sup>15</sup>	\$1,000 to \$6,500	Lump sum	As incurred	Government Agencies
Insurance <sup>16</sup>	\$1,200 to \$4,000	Lump sum or as arranged	As incurred	Third-party Suppliers
Grand Opening Advertising <sup>17</sup>	\$10,000	As incurred	As incurred	Us and third-party Suppliers
Opening Inventory <sup>18</sup>	\$3,500 to \$5,000	As incurred	As incurred	Third-party Suppliers
On-site opening Assistance <sup>19</sup>	\$2,590 to \$6,250	Lump sum	As invoiced	Us
Additional Funds – 3 Months <sup>20</sup>	\$13,000 to \$27,000	As incurred	As invoiced	Third parties
<b>TOTAL</b>	<b>\$213,540 to \$475,750</b>			

**Notes:**

1. If the Franchise Agreement is executed pursuant to a Multi-Unit Development Agreement, then we will credit a portion of the development fee (i.e., \$37,500) towards the initial

franchise fee payable under each Franchise Agreement executed pursuant to the Multi-Unit Development Agreement; as a result, you will not be required to pay any initial franchise fee under the Franchise Agreements that you may execute pursuant to a Multi-Unit Development Agreement, subject in the aggregate, to a maximum amount equal to the development fee.

2. You must pay us a Site Survey Fee of \$3,500 to prepare a site-survey report for the approved premises of the Store (See Item 5).

3. We will provide you with our standard plans for the build-out of an everbowl Store. You must hire your own architect to adapt our plans to the specific shape and dimensions of the approved location for the Store. This range reflects the estimated amount that you will spend to engage an architect and an engineer in connection with the development of the Store and to secure the necessary construction permits from the applicable government authorities.

4. Leasehold improvement and construction costs depend on the condition, location, size and configuration of the premises, the layout of the mall or retail center, and other factors relating to the geographic location of the business, suppliers, government regulations, labor costs and other considerations. You will contract directly with the construction contractor and possibly other construction suppliers on terms negotiated by you. everbowl Stores generally occupy between 400 square feet (kiosk model) and between 700 and 1,100 square feet for a traditional everbowl Store; however, in some instances, everbowl Stores may be larger depending on the size of available sites and/or franchisee preferences. Leasehold improvements and construction costs generally include: electrical, plumbing, HVAC, certain exterior renovations, and patio construction. If you are able to locate a site that previously operated as a restaurant, your estimated cost for leasehold improvements may be significantly lower. This range includes \$1,000 to \$5,000 that is paid to us should we choose to conduct an on-site evaluation of the proposed premises. (See Item 5)

5. Our affiliate, WeBuild Stuff, is the sole vendor that sells and installs the Store build kits at everbowl Stores. The Store build kit includes certain interior signage, wallpaper, certain millwork, and related items. (See Item 5)

6. This range includes the cost of purchasing tables, chairs, dipping cabinets, topping stations, grab and go merchandisers, freezers, racks, preparation tables, lockers, refrigerators, and TVs. (See Item 5)

7. This range includes the cost of knives, chopping boards, shelf tags, drying racks, trash cans, and certain other kitchen tools that you will need to operate the Store. (See Item 5)

8. This range includes the cost of branded merchandise and employee uniforms that you must purchase. (See Item 5)

9. Typically, we require our franchisees to purchase the furniture, fixture, and equipment package (see Note 6), the operation kits (see Note 7), branded merchandise and employee uniforms (see Note 8), and the point-of-sale system from our affiliates; however, upon your request, we may permit you to purchase these items from our designated third-party supplier.

10. Signs include exterior signs. Local code restrictions may restrict the signage available for certain everbowl Stores and affect the costs. The interior signage is included in the Store build kit, which is referenced in Note 5.

11. Our typical franchise offering assumes that you rent your premises from a third-party. The provided estimate is for the initial 3-month rent payment you will pay to such third party, assuming that the premises of the Store will be in a strip shopping center, mall or urban location. Landlords may vary the base rental rate and charge rent based on a percentage of Gross Sales. In addition to base rent, the lease may require you to pay common area maintenance charges, your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will depend on the size of the Store, the types of changes that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the region.

12. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages for the first three trainees. You may not incur these expenses if we choose to provide training virtually via the Internet or pre-recorded videos instead of in-person training.

13. Your landlord, local utility companies and other vendors may require you to pay security deposits, all of which are accounted for in this estimate.

14. We recommend that you engage the services of an attorney and/or accountant to assist you in evaluating this franchise offering. You may also wish to use an attorney or commercial real estate professional to assist you in lease negotiations and/or to form an entity that will own the franchise.

15. Our estimate includes the cost of obtaining local business permits and licenses, which typically remain in effect for one year. The cost of these permits and licenses will depend on the location of the Store. Our estimate does not include tap-in, fixture or similar fees which, depending on the municipality, can cost several thousand dollars. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

16. You must purchase and maintain insurance coverage as necessary to comply with all state and local laws, with the Franchise Agreement and/or Multi-Unit Development Agreement (if applicable), and with our Operations Manual. See Item 8 for a description of our current insurance requirements.

17. You will work with our marketing team to design a grand opening advertising plan and budget. We require you to pay us in lump sum a non-refundable amount of \$2,500 out of your minimum grand opening advertising spend of \$10,000 to conduct the digital advertising campaign for the Store. You must spend the remainder of the minimum grand opening advertising amount within 90 days of the opening of the Store in the manner approved by us. (See Item 5)

18. This range includes the cost of purchasing the Store's opening inventory of foods items, paper goods, and other supplies that you need to purchase from third-party suppliers before opening the Store.

19. You must reimburse us for the expenses incurred by us or our personnel in providing on-site opening assistance, including our personnel’s travel and lodging expenses. This amount is payable to us after the opening of the Store.

20. You will need additional funds during the start-up phase of the Store to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open the Store. These amounts do not include any estimates for debt service, payroll costs, or any revenues you may earn during the 3-month start-up phase.

Unless noted, all amounts reflected in this Item 7 will be non-refundable unless you are able to negotiate a refund with a particular supplier. We do not finance any portion of your initial investment. The estimated investment shown in the above table is for a single everbowl Store. We relied on our affiliates’ and franchisees’ experience in developing everbowl Stores when preparing the estimates shown in the charts above. You should review these estimates carefully with a business advisor before making any decision to purchase the franchise. The above estimate assumes that you will develop and commence the operations of the Store within the time frame described in the Franchise Agreement.

**YOUR ESTIMATED INITIAL INVESTMENT – MULTI-UNIT DEVELOPMENT AGREEMENT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee <sup>1</sup>	\$112,500 to 187,500	Lump Sum	Concurrently with the execution of the Multi-Unit Development Agreement	Us
<b>Total</b>	<b>\$112,500 to 187,500</b>			

**Notes:**

1. If you sign a Multi-Unit Development Agreement, you will, commit to developing and opening at least 3 everbowl Stores and at the most 5 everbowl Stores and pay us a one-time development fee in lump sum upon your execution of the Multi-Unit Development Agreement. Your development fee will depend on the number of everbowl Stores you commit to develop and open within the Development Area, and is calculated by multiplying \$37,500 by the number of everbowl Stores you commit to develop. Therefore, if you commit to develop 3 everbowl Stores, then you will pay a development fee equal to \$112,500; if you commit to developing 4 everbowl Stores, then you will pay a development fee equal to \$150,000; and if you commit to developing 5 everbowl Stores, then you will pay a development fee equal to \$187,500. We will apply the development fee, in \$37,500 increments, to the initial franchise fee that is required to be paid under the Franchise Agreements that you may execute pursuant to the Multi-Unit Development Agreement, subject, in the aggregate, to a maximum amount equal to the development fee.

2. If you and your affiliates are not in default of any agreement with us or our affiliates, then within 30 days after you complete your development obligations under the Multi-Unit Development Agreement, we will pay you the following amount: \$11,250, if the Development Schedule required you to develop 3 everbowl Stores; \$22,500, if the Development Schedule

required you to develop 4 everbowl Stores; and \$46,875 if the Development Schedule required you to develop 5 everbowl Stores

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

#### **Required Purchases, System Standards**

You must purchase and use, in the development and operation of the Store, and offer for sale from the Store all products, services and other items (and only those products, services and other items) that we periodically designate or approve in writing; all of which must conform to the mandatory standards and specifications in our confidential operations manual (the “Manual”) or otherwise in writing (collectively, the “System Standards”) and must be purchased from our designated suppliers (which may be limited to us or affiliates). To ensure that the highest degree of quality and service is maintained, you must operate the Store in strict conformity with the System Standards. All menu items must be prepared using the recipes and procedures specified in the Manual or other written materials. You must not deviate from the System Standards by the use or sale of non-conforming items or differing amounts of any items. We may, and expect to, modify our System Standards as we deem necessary. We will provide you notice of any changes in the System Standards, the Manual or otherwise in writing. However, we do not issue specifications or standards to any third-party suppliers.

As of the issuance date of this Disclosure Document, our affiliates are the sole supplier and installer of Store build kit which includes certain interior signage, wallpaper, certain millwork, and related items. We also require the franchisees to purchase the following items from our affiliates or, at our option, from our designated vendors: furniture, fixture, and equipment package (which includes tables, chairs, dipping cabinets, topping stations, grab-and-go merchandisers, freezers, racks, preparation tables, lockers, refrigerators, and TVs); operations kit (which includes various kitchen tools and smallwares); branded merchandise and employee uniforms (including custom t-shirts, sweatshirts, hats, bracelets, and mugs); and the point-of-sale system. We have also designated third-party vendors for certain food items and packaging and cleaning supplies. We may also require you to use the services of designated third-party architectural and engineering firms to design the Store.

#### **Alternate Suppliers**

If we have not designated a supplier for any product or service that you wish to use for the development or operation of the Store, you may purchase such product or service from a supplier of your choosing that demonstrates the ability to meet our then-current System Standards and possesses adequate quality controls and capacity to supply your needs promptly and reliably. However, if we have designated a supplier for any product or service and you wish to purchase such product or service from an alternate supplier, you or such supplier must submit a written request for our approval and we may charge you a fee (currently estimated to be \$1,000 per request) for testing such products at laboratories of our choice. We must approve any supplier in writing before you make any purchases from an alternate supplier. We may require that our representatives be permitted to inspect the supplier’s facilities and that samples from the supplier be delivered either to us or to an independent laboratory for testing. We may re-inspect any approved product and/or the facilities and products of any approved supplier and to revoke our approval if the product or

supplier fails to continue to meet any of our then-current standards. Our approval procedure does not obligate us to approve any particular product or supplier. We may periodically re-inspect the facilities and products of any approved supplier and revoke our approval if the supplier does not continue to meet any of our criteria.

We will notify you in writing (which may include e-mail and/or updates to the Manual) within 30 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier. We may also revoke our prior approval of any product or supplier at any time upon written notice to you. If we revoke a previously approved product or supplier, you must immediately stop purchasing that product and/or stop purchasing from that supplier.

As of the date of this Disclosure Document, our officers do not own any interest in any approved suppliers for the everbowl franchise system other than our affiliates i.e., Everbowl GC and WeBuild Stuff.

During our last fiscal year, which ended on December 31, 2023: (i) we did not sell any products or services to our franchisees but we received vendor rebates of \$6,063 (i.e, 0.3% of our total revenue in 2023) based on franchisee purchases of required good and services, (ii) WeBuild Stuff generated revenue of \$2,891,734 from the sale of products or services to our franchisees; (iii) Unevolve Products generated revenue of \$66,711.05 from the sale of products or services to our franchisees; and (iv) Unevolve Products received a rebate of \$7,951 from our designated beverage supplier and broadline distributors, which was based on our franchisees' purchases of goods and services from such suppliers. Currently, we and some our affiliates derive (i) revenue or rebates of up to 1% based our franchisees' purchase of goods and services from our designated suppliers; and/or (ii) revenue or rebate of \$1,000 for each new everbowl Store that is developed by our franchisees.

We estimate that your purchases from us or approved suppliers, or purchases that are restricted by us in some way, will represent approximately 95% to 100% of your total purchases in establishing the Store, and approximately 95% to 100% of your total purchases in the continued operation of the Store.

## **Insurance**

Before you begin construction of the Store, you must obtain the insurance coverage we require, as specified below. This insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible carrier or carriers acceptable to us.

1. Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability, and fire damage coverage, in the amount of \$2,000,000 combined single limit.
2. "All Risks" coverage for the full cost of replacement of the premises and all other property in which you may have an interest with no coinsurance clause.

3. Crime insurance for employee dishonesty in the amount of \$10,000 combined single limit.
4. Business Interruption insurance to cover expenses for a period of at least 365 days.
5. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than \$2,000,000 combined single limit.
6. Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions stated in the Franchise Agreement.
7. Any other insurance required by the state or locality in which the Store is located and operated, as may be required by your lease, or as we may require in the future.

You may, after obtaining our written consent, elect to have reasonable deductibles under the insurance coverage we require. Related to any construction, renovation or remodeling of the Store, you must maintain builders' risks insurance and performance and completion bonds in forms and amounts and written by a carrier satisfactory to us. All the policies must name us, our affiliates, and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them as additional insureds and must include a waiver of subrogation in favor of all those parties. All insurance policies shall expressly provide that not less than 30 days' prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies. You must provide us with a certificate of insurance showing that you have obtained the required policies before construction of the Store begins and upon each policy's renewal. We may require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We may change our insurance requirements during the term of your Franchise Agreement, including the types and amounts of coverage, and you must comply with those changes. If you do not maintain the insurance coverages that we require we may, but are not obligated to, obtain insurance coverage on your behalf, in which case you must reimburse the premium costs paid by us, plus a 15% administrative fee.

### **Cooperatives**

As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above. However, we may in the future establish purchasing or distribution cooperatives and require you to participate in them by providing you prior written notice.

### **Negotiated Prices**

We or our affiliates may negotiate purchase arrangements, including prices and terms, with designated and approved suppliers for Stores. If we enter into a purchase arrangement with any distributor or supplier that services the geographic territory in which the Store is located then you

must purchase required goods and services from such distributor or supplier. As of the date of this Disclosure Document, we have negotiated purchase arrangements for general food items, packaging, and cleaning supplies with a designated supplier.

### **Material Benefits**

Except as disclosed above, we and our affiliates do not currently provide any material benefits to franchisees based on their use of designated or approved suppliers.

## **ITEM 9** **FRANCHISEE'S OBLIGATIONS**

**This table lists your principal obligations under the Franchise Agreement 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.**

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Section in Multi-Unit Development Agreement</b>	<b>Disclosure Document Item</b>
A. Site selection and acquisition/ lease	Section 2	Data Sheet, Section 1	Items 8 and 11
B. Pre-opening purchases/leases	Sections 2, 5, 6 and 7	Not Applicable	Items 5, 7, 8 and 11
C. Site development and other pre-opening requirements	Section 2	Not Applicable	Items 1, 8 and 11
D. Initial and ongoing training	Section 5.5	Not Applicable	Items 5, 6 and 11
E. Opening	Section 2	Section 3	Item 11
F. Fees	Sections 3, 4, 7, and 13	Sections 2 and 8	Items 5 and 6
G. Compliance with standards and policies/operating manual	Sections 2, 5, 6, 7, 8, 9, 10 and 11	Section 6	Items 8, 11, 14 and 16
H. Trademarks and proprietary information	Sections 8 and 9	Not Applicable	Items 13 and 14
I. Restrictions on products/services offered	Section 6	Not Applicable	Item 16
J. Warranty and customer service requirements	Section 6	Not Applicable	Not applicable
K. Territorial development and sales quotas	Data Sheet, Section 1	Data Sheet, Section 1	Item 12

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Section in Multi-Unit Development Agreement</b>	<b>Disclosure Document Item</b>
L. Ongoing product / service purchases	Section 6	Not Applicable	Items 6 and 8
M. Maintenance, appearance and remodeling requirements	Sections 3 and 6	Not Applicable	Items 6 and 11
N. Insurance	Section 11	Not Applicable	Items 6, 7 and 8
O. Advertising	Section 7	Not Applicable	Items 6, 8 and 11
P. Indemnification	Section 14	Section 9	Item 6
Q. Owner's participation/ management/staffing	Section 5	Section 6	Items 1, 11 and 15
R. Records and Reports	Sections 4 and 10	Not Applicable	Item 6
S. Inspections and audits	Sections 2, 6 and 10	Not Applicable	Items 6 and 11
T. Transfer	Section 13	Section 8	Items 6 and 17
U. Renewal	Section 3.2	Not Applicable	Items 6 and 17
V. Post-termination obligations	Section 17	Section 7	Items 6 and 17
W. Non-competition covenants	Section 9.4	Attachment C	Items 15 and 17
X. Dispute resolution	Section 18.5	Section 14	Item 17
Y. Liquidated damages	Section 17.3	Not Applicable	Item 6
Z. Guaranty	Sections 5.2 and 6, Attachment A	Section 6.1, Attachment A	Item 15

**ITEM 10**  
**FINANCING**

We do not directly or indirectly offer any financing arrangements to you. We do not guarantee your notes, leases or other obligations.

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

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

***Pre-Opening Obligations*** – Before you open the Store, we or our affiliates will provide you with the following:

1. our site selection guidelines (Franchise Agreement, Section 2.2; Multi-Unit Development Agreement, Section 4.4);
2. proposed site evaluations and site survey report at your expense (Franchise Agreement, Section 2.2; Multi-Unit Development Agreement, Section 4.5);
3. one set of our prototypical architectural and design plans and specifications for everbowl Stores (Franchise Agreement, Section 2.4);
4. access to our Manual, which we may revise. (Franchise Agreement, Recital B);
5. list of our approved suppliers (Franchise Agreement, Section 6.3);
6. certain equipment, signs, fixtures, opening inventory, and supplies, sold to you by us or our affiliates (Franchise Agreement, Section 2.4 and 6.3); and
7. supply and install the store build kit (i.e., certain interior signage, wallpaper, certain millwork, and related items) at the Store (Franchise Agreement, Sections 2.4, 6.3 and 6.4);
8. initial training and additional training for you or your Operating Principal, Store Lead, and 2 of the Store employees (Franchise Agreement, Section 5.5).

### **Site Selection and Opening**

You will assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for the Store and for constructing and equipping the Store at the accepted site. You will select the site for the Store subject to our approval. We will introduce you to a vendor who can assist you with site selection, but you are not required to use its services.

Before you lease or purchase the site for the Store, you must locate a site that satisfies our site selection guidelines. Our guidelines for site approval take into account: the general location of the site; the neighborhood and its demographics; and the traffic patterns, parking, and physical characteristics of the premises. You must submit to us in the form we specify a description of the site, including evidence that the site satisfies our site selection guidelines, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site. You must submit information and materials for the proposed site to us for approval within 30 days after you have signed the Franchise Agreement. We will conduct an on-site evaluation of your proposed site, at your expense. We will have 15 days after we receive this information and materials from you to accept or not accept the proposed site as the location for the Store. Our acceptance only indicates that the site meets our minimum criteria for a Store. Generally, we do not own or lease the premises for everbowl Stores.

If you are unable to locate a suitable site for the Store within 30 days after you sign the Franchise Agreement, we may choose to terminate the Franchise Agreement.

We estimate that the time from the signing of the Franchise Agreement to the opening of the Store will be approximately 180 to 270 days. This time may be shorter or longer depending on the time necessary to obtain an accepted site; to obtain financing, permits and licenses for the construction and operation of the Store; to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors; to complete the interior and exterior of the Store, including decorating, purchasing and installing fixtures, equipment and signs; and to complete preparation for operating the Store, including purchasing inventory and supplies. You must open the Store and begin business within 270 days after you sign the Franchise Agreement. We may provide you with an extension of this timeframe; however, we may terminate the Franchise Agreement without refunding the initial franchise fee or any other expenses incurred by you under the Franchise Agreement.

Under the Multi-Unit Development Agreement, each everbowl Store you develop must be opened according to the dates on your Development Schedule, subject to any extensions of time granted by us. You will select the site for each Store that you develop pursuant to the Development Agreement subject to our approval and using our then-current site submittal forms and/or our then-current site selection criteria.

### **Post-Opening Obligations**

We are not obligated to provide you any continued services under the Multi-Unit Development Agreement.

Under the Franchise Agreement, we will provide the following services and assistance to you after the opening of the Store:

1. continued access to our System Standards and Manual, which will include information regarding our approved and designated suppliers (Franchise Agreement, Section 9.1);
2. administration of the Marketing Fund (Franchise Agreement, Section 7.3);
3. additional or refresher training (Franchise Agreement, Section 5.5); and

We may, subject to applicable laws, periodically set a maximum or minimum price that you may charge for products and services offered by the Store (Franchise Agreement, Section 6.9).

We are not required to provide any other service or assistance to you for the continuing operation of the Store.

### **Advertising**

Except for the administration of the Marketing Fund described below, we have no obligations to conduct advertising on your behalf, including any obligation to spend any amount on advertising in the area or territory in which the Store will be located.

**Grand Opening Advertising:** You must spend between at least \$10,000 on a grand opening advertising campaign to advertise the Store. We require you to pay us in lump sum a non-refundable

amount of \$2,500 out of your minimum grand opening advertising spend of \$10,000 to conduct the digital advertising campaign for the Store. You must spend the remainder of the minimum grand opening advertising amount within 90 days of the opening of the Store in the manner approved by us.

Marketing Fund: We require you to contribute to a national marketing fund (the “Marketing Fund”), currently in an amount equal to 2% of the Store’s Gross Sales, to be paid at the same time and in the same manner as the Royalty Fee. We may increase this amount to 3% of Gross Sales upon 30 days’ notice to you.

The following is a percentage breakdown of our use of the Marketing Fund during its last fiscal year, which ended on December 31, 2023: 22% for production, 61% for media placement, 1% for public relations, and 16% administrative expenses.

We will direct all advertising programs that the Marketing Fund finances and have sole discretion to approve the creative concepts, materials and media used in the programs and their placement and allocation. Advertising materials may be developed in-house by us or we may employ one or more advertising agencies to develop advertising. The Marketing Fund is intended to maximize general public recognition and acceptance of the Marks and improve the collective success of all everbowl Stores operating under the System. We may use monies from the Marketing Fund to support development and maintenance of our website, website and e-mail hosting, social media initiatives, and menu and product development. In administering the Marketing Fund, we and our designees will not be required to make expenditures for you that are equivalent or proportionate to your contribution or make sure that any particular franchisee benefits directly or pro rata from the placement of advertising.

We are not required to segregate monies contributed to the Marketing Fund from our general operating funds, but we will account for them separately. We may reimburse ourselves out of the Marketing Fund for the total costs that we incur (including indirect costs such as salaries for our employees who devote time and effort to Marketing Fund related activities and overhead expenses) in the administration or direction of the Marketing Fund and advertising programs for you and the System, and collecting contributions to the Marketing Fund (including attorneys’, auditors’ and accountants’ fees and other expenses incurred in connection with collecting any such contribution). The Marketing Fund and its earnings will not otherwise benefit us. The Marketing Fund is operated solely as a conduit for collecting and expending the monies contributed to it as outlined above. Any sums paid to the Marketing Fund that are not spent in the year they are collected will be carried over to the following year.

No portion of the Marketing Fund will be used for advertising that is primarily a solicitation of franchise sales. We will prepare an annual statement of the contributions received and the expenses incurred by the Marketing Fund. You may obtain copy of such annual statement by making a written request to us. We are not required to have the Marketing Fund statements audited. Although the Marketing Fund is intended to be perpetual, we may terminate the Marketing Fund at any time. The Marketing Fund will not be terminated until all monies in the Marketing Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Marketing Fund, we have the option to reinstate it at any time and it will be operated as described above.

The Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining a website that promotes Stores and/or related strategies; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

Local Advertising: You must conduct local advertising, and at a minimum, you must spend 1% of the Store's Gross Sales each month on local advertising for the Store. Within 30 days of our request, you must provide us with proof of your local advertising expenditures, including verification copies of the advertisements.

We must approve all advertising before you use it. You must not advertise or use our Marks in any fashion on the Internet or via other means of advertising without our express written consent. Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12-month period must be submitted to us for our approval before you may use it. We will have 15 days after receipt of all materials to approve or disapprove of the proposed advertising materials. Unless we provide our specific approval of the proposed advertising materials, the materials are deemed not approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials. We may require you to include certain language in your local advertising, such as "Franchises Available" and our website address and phone number.

Advertising Cooperatives: There are no existing cooperatives at this time. In the future, we may approve of their formation.

Advisory Council: There is no existing advisory council at this time. In the future, we may approve of its formation.

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

In addition to advertising and promoting the products or services available at everbowl Stores, any websites or other modes of electric commerce that we establish or maintain may also be devoted in part to offering everbowl franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your

own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with the Store; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “everbowl” name or any name confusingly similar to the Marks.

You are not permitted to promote the Store or use any of the Marks in any manner on any social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives.

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

### **Training**

Not later than 30 days before the date the Store is scheduled to begin operation, you or your Operating Principal, the Store Lead, and 2 of the Store’s employees must attend and complete, to our satisfaction, our initial training program. You must also pay all expenses your trainees incur while attending our initial training program, including travel, lodging, meals and applicable wages. Our initial training program is mandatory; however, you may not incur these expenses if we choose to provide training virtually via the Internet or pre-recorded videos instead of in-person training. If you wish to send additional trainees to our pre-opening initial training program, you must pay our then-current training fee (currently \$1,750 per person, plus expenses) for each additional trainee.

The initial training program will be offered at various times during the year depending on the number of new franchisees entering the System, replacement operating principals and general managers and other personnel needing training, the number of new Stores being opened and the timing of the scheduled openings of Stores to be operated by our franchisees generally. The initial training program will generally last for 5 days.

We will determine whether you or your Operating Principal and the Store Lead, have completed the initial training program to our satisfaction. If any of you or your Operating Principal and the Store Lead do not or cannot satisfactorily complete the initial training program to our satisfaction, you must designate a replacement to satisfactorily complete the training, at your expense (including payment of our then-current training fee, which is currently \$1,750 per person plus expenses). Any Operating Principal or Store Lead that is subsequently designated by you must also receive and complete the initial training. We may charge a reasonable fee for the initial training we provide for training such replacements if we have not approved you to provide the training.

You and your trainees that we designate must attend the additional training programs and seminars we offer. We may also offer optional training programs and seminars. For these programs and seminars, we will provide the instructors and training materials. If the training is mandatory, we will not charge you a fee for attending the training. We may charge a reasonable fee for the additional training programs and seminars that we provide on an optional basis, which we currently estimate to be between \$500 and \$1,500, if assessed. As between us and you, you will also be responsible for all of your expenses and those of any person attending any training on your behalf

incurred in participating in any additional training, including costs of travel, lodging, meals, and wages.

For the opening of the Store, we will provide you with one of our training representatives. The training representative will provide on-site pre-opening and opening training, supervision, and management assistance to you for up to 1 week, including after your soft opening. The amount of time provided for opening assistance will be determined by us. You must reimburse the expenses our representative incurs, including travel, lodging and meals. If you request additional days of opening assistance, you must pay our then-current per diem fee (currently, \$250 per trainer) for each additional day our representative provides assistance, in addition to any additional expenses incurred. If you are opening your second or subsequent Store, we may not provide opening assistance.

The instructional materials used in the initial training program include our Manual, training videos, marketing and promotion materials, programs related to the operation of the point-of-sale system, videos, and any other materials that we believe will benefit our franchisees during the training process.

The following is the initial training program currently in effect:

### **TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
History and Culture	1 hour	0 hours	Our headquarters in Vista, CA or at the applicable area representative's training center (if any).
Human Resources	2 hours	0 hour	Our headquarters in Vista, CA or at the applicable area representative's training center (if any).
Employee Training	2 hours	0 hour	Our headquarters in Vista, CA or at the applicable area representative's training center (if any).
Store Operations	3 hours	0 hours	Our headquarters in Vista, CA or at the applicable area representative's training center (if any).
Accounting	1 hour	0 hour	Our headquarters in Vista, CA or at the applicable area representative's training center (if any).
Marketing	1 hour	0 hour	Our headquarters in Vista, CA or at the applicable area representative's training center (if any).
Real Estate	1 hour	0 hours	Our headquarters in Vista, CA or at the applicable area representative's training center (if any).

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Hands on Food Training	3 hours	21 hours	Our headquarters in Vista, CA, at an operating everbowl Store that we designate in San Diego, CA, or at the applicable area representative's training center (if any).
<b>Total</b>	<b>14 hours</b>	<b>21 hours</b>	

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. We may replace any part of the in-person training program with virtual training via the Internet or pre-recorded training videos. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained. All training will be supervised by Hailey Coffman, our Manager of Training and Special Operations, who has at least 5 years of experience in the subject matters being taught and over 7 years' experience with us or our affiliates. We may substitute other instructors to provide all or part of the training program.

If you reasonably request it or if we deem it appropriate, we will, during the term of the Franchise Agreement and subject to the availability of personnel, provide you with additional training representatives who will provide on-site remedial training to your personnel. For additional training that you request, you may be required to pay the then-current per diem fee (currently \$250 per trainer) then being charged to franchisees under the System for the services of our training representatives, plus their costs of travel, lodging, meals, and wages.

We may choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons. We may designate that attendance at an annual meeting is mandatory for you or your Operating Principal and Store Lead. We do not anticipate charging a fee to attend the meeting, but you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages. We will designate the location of any franchisee meeting, but we will not designate an unreasonably expensive site.

### **Confidential Operations Manual**

The current Manual consists of 77 pages and its Table of Contents is attached as Exhibit G to this Disclosure Document.

### **Computer/Point-of-Sale System**

You must purchase and use the point-of-sale and operations software system, as approved and designed by us. The system will provide sales tracking information, inventory management, business reports, labor and scheduling management, order processing and credit card processing.

The system must be set up as specified by us, and will enable us to have immediate, independent access to the information monitored by the system, and there is no contractual

limitation on our access or use of the information we obtain. You must install and maintain equipment and a high-speed internet connection in accordance with our specifications, using networking hardware provided by our affiliate, which will permit us to independently access the point-of-sale system (or other computer hardware and software) either electronically or at your premises. This will permit us to electronically inspect and monitor information concerning the Store's operation, including Gross Sales, and any other information that may be contained or stored in the equipment and software. There are no limits on our access to the data on your point-of-sale system. You must make sure that we have access at all times and in the manner we specify, at your cost.

Unless we designate otherwise in writing, you must purchase the computer system and the point-of-sale system from our affiliate. You must obtain and maintain high speed Internet access or other means of electronic communication as specified by us. We will, at all times, have independent access to the Store's computer system and the point-of-sale system. We expect that the point-of-sale system will cost approximately \$3,500. You must obtain any upgrades and/or updates to the software used with the point-of-sale system, at your expense. In addition, we may require you to update and/or upgrade all or a portion of your point-of-sale system during the term of your Franchise Agreement, at your expense (we currently estimate the cost of optional and required updates/upgrades to be between \$0 and \$2,500 annually (excluding the Technology Fee that you must pay to us), but such amounts will ultimately be determined by the number of updates/upgrades required and offered by the software provider). The Franchise Agreement does not limit our ability to require you to update and/or upgrade your point-of-sale system or pay the cost of any update and/or upgrade. Neither we nor any affiliate of ours is responsible for providing you with any upgrades, updates or maintenance for your point-of-sale system.

You must participate in the on-line ordering, mobile app program, gift card program, and loyalty program, that we designate. As of the issuance date of this Disclosure Document, all these programs are managed through the point-of-sale system.

While all employment-related decisions remain yours, you must use the point-of-sale system for employee scheduling and punch-in and punch outs. We will monitor such data solely for understanding specific labor metrics in the System.

### **Remodeling and Redecorating of Store**

You must, upon our request, remodel and/or redecorate the Store, equipment (including the computer/point of sale system), signs, interior and exterior décor items, fixtures, furnishing, supplies and other products and materials required for the operation of the Store to our then-current System Standards. We will not request such remodeling and/or redecorating more than once every five (5) years during the initial term of the Franchise Agreement, except that if the Store is transferred, we may request that the transferee remodel and/or redecorate the Store premises.

## **ITEM 12**

### **TERRITORY**

#### **Franchise Agreement**

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

We and our affiliates may, without the requirement to compensate you in any way and without regard to the competitive impact it might have on the Store: (a) operate, anywhere in the world, any business identified in whole or in part by any trademarks, including the Marks, and/or utilizing any systems or operating platforms, including the System; (b) sell products under any trademarks (including the Marks) anywhere in the world (including within the vicinity of the Store) and through any distribution method, channel or platform, including the Internet; (c) develop and/or own other franchise systems for the same or similar products and services using trade names and trademarks other than the Marks; and (d) to purchase, be purchased by, merge or combine with, businesses that we deem to offer direct competition to the everbowl Stores in general or the Store in particular.

Under the Franchise Agreement we grant you the right to operate the Store at a specific location. You will select the site for the Store subject to our approval and using our site submittal forms and/or criteria. You may not relocate the Store without our prior-written consent, which we will not unreasonably withhold. Our approval of a relocation may be based on all factors we consider appropriate at the time of your request, including, for example, whether you are otherwise in compliance with the Franchise Agreement, whether the proposed new site meets our criteria for new everbowl Store sites, how the rent and other economics relating to the rental of the new site compare to those of the existing site, whether and to what extent you will be required to close the existing Store before opening at the new site, whether there will be a period of time during which you might operate at both locations, your willingness to grant us a general release of all claims you and your related parties may have against us and our related parties (subject to state law), and your payment to us of a relocation fee of \$2,500 and reimbursement of our out-of-pocket expenses related to evaluating the new site.

You may not use any other channels of distribution, including the Internet, wholesale distribution, catalog sales, telemarketing, or other direct marketing to make sales, without our prior written consent. You are not otherwise restricted with respect to soliciting or accepting customers elsewhere.

We and our affiliates do not currently operate or franchise, or currently have plans to operate or franchise, a business that operates a different Mark but that sells or would sell goods or services that are the same or similar to those you will be authorized to sell under the Franchise Agreement.

The Franchise Agreement does not give you any options, rights of first refusal or similar rights to acquire additional franchises.

## **Multi-Unit Development Agreement**

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, except as described below, during the term of the Multi-Unit Development Agreement, we and our affiliates will not operate or grant a franchise for the operation of an everbowl Store to be located within the Development Area so long as you are in full compliance with all the terms and conditions of the Multi-Unit Development Agreements and Franchise Agreements signed under it.

We and our affiliates retain all rights with respect to everbowl Stores, the Marks, and any products and services anywhere in the world including the right: (i) to establish, and license others to establish, everbowl Store, and otherwise sell proprietary products and branded merchandise under the Marks at or from any location outside of the Development Area; (ii) to establish, and license others to establish, everbowl Stores and otherwise sell proprietary products and logoed merchandise under the Marks at or from any non-traditional site (such as includes gas stations, convenience stores, transportation facilities, military bases, sports facilities, amusement parks, hospitals, casinos, or any similar captive market location), wherever located; (iii) develop other businesses or franchise systems or purchase, be purchased by, merge or combine with, businesses that we deem to offer direct competition to the everbowl Stores in the Development Area; and (iv) to sell and distribute, directly and indirectly, proprietary products and logoed merchandise under the Marks using any alternative distribution channels. We are not required to seek your approval or pay you any compensation should we exercise any of these rights.

Under the Multi-Unit Development Agreement, you are assigned a Development Area in which you will be required to locate and secure our approval of site for the everbowl Stores according to a specified Development Schedule which will be described in the Multi-Unit Development Agreement and agreed to before it is signed. The Development Area will be described by city limits or official geopolitical boundaries, or it may be drawn on a map that is attached to the Multi-Unit Development Agreement. You will select the site for each Store that you develop pursuant to the Development Agreement subject to our approval and using our then-current site submittal forms and/or our then-current site selection criteria. Your territorial rights to the Development Area do not include the right to develop everbowl Stores at any non-traditional site.

The Multi-Unit Development Agreement does not grant you the right or option to operate any everbowl Store or solicit or accept orders from any customers. Therefore, under the Multi-Unit Development Agreement, you shall not use any other channels of distribution, including the Internet, catalog sales, telemarketing, or other form of marketing.

Once the final everbowl Store required to be developed under the Development Schedule has opened (or the date it is required under the Development Schedule to be opened), your rights to the Development Area will expire and you will have no more rights to develop everbowl Stores within the Development Area, and we will have the right to develop ourselves, or grant rights to others to develop, everbowl Stores within the Development Area. You are not granted a right of first refusal to develop additional everbowl Stores, but if you are in compliance with your obligations under the Multi-Unit Development Agreement and all Franchise Agreements, we will in good faith negotiate a new Multi-Unit Development Agreement with you.

The territorial rights granted to you under the Multi-Unit Development Agreement are not dependent on achieving a certain sales volume, market penetration or other contingency, but you must develop and open everbowl Stores according to the Development Schedule. Also, except as stated below, the Development Area may not be altered before the Multi-Unit Development Agreement expires or is terminated.

If you fail to open everbowl Stores in compliance with the Development Schedule or if you otherwise commit a material event of default under the Multi-Unit Development Agreement, we may, in addition to our other remedies, terminate or modify your Development Area, reduce the size of your Development Area, reduce the number of everbowl Stores that you may develop, or accelerate the Development Schedule under the Multi-Unit Development Agreement.

### **ITEM 13** **TRADEMARKS**

We grant you the non-exclusive right and obligation to use the Marks under the Franchise Agreement. You must use the Marks as we require. You may not use any of the Marks as part of your firm or corporate name. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertisement for the transfer, sale or other disposition of your everbowl Store or any interest in the franchise that would require our approval under the Franchise Agreement.

The Marks are owned by our affiliate, Everbowl IP, which, under an Intellectual Property and Products Designation License Agreement, dated July 7, 2020 (the “License Agreement”), granted us a license to use and sublicense the use of the Marks. The License Agreement has a term of 99 years from its date and can be terminated on 30 days’ notice if we materially breach the License Agreement and fail to cure the breach or cease to be an affiliate of Everbowl IP. A termination of the License Agreement will result in the loss of our right to use and to sublicense the use of the Marks in franchise agreements signed after that termination. However, your rights to use the Marks under the Franchise Agreement will not be affected by the termination of our license. All rights in and goodwill from the use of the Marks accrue to us and our affiliates.

The following table sets forth the status of registrations and applications with the U.S. Patent and Trademark Office (“USPTO”) for federal registration of our principal trademarks. All Marks are registered or have applications for registration pending on the Principal Register.

Mark	Registration Number and Date of Registration	Class
	5399183 February 13, 2018	43
	5399184 February 13, 2018	43
EVERBOWL	5898209 October 29, 2019	43
EVERBOWL	6037503 April 21, 2020	25

All required affidavits have been filed, and Everbowl IP intends to renew these registrations and file additionally required affidavits at the appropriate time. There are no effective material determinations of the USPTO, the Trademark Trial and Appeals Board, the Trademark Administrator of any state or any court in the United States concerning the Marks. There is no pending infringement, opposition, or cancellation action in the United States. There is no pending material litigation involving the Marks in the United States. There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in a manner material to the franchise. We know of no superior prior rights or infringing uses of any Mark that could materially affect your use of the Marks.

You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or component of the System or claim by any person of any rights in any of the Marks or the System. You and your owners are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim. We may take action and have the right to exclusively control any litigation or USPTO or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks or the System. You must sign any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or USPTO or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity having an interest in the Marks and the System.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks and the System, provided that you and your owners have acted in full compliance with the terms of the Franchise Agreement and otherwise according to our instructions regarding any proceeding related to the Marks and the System.

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

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

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

No patents are material to the franchise. We do not have any pending patent applications that are material to the franchise. We and/or our affiliates claim copyrights in the Manual (which contains our trade secrets), handbooks, all websites, advertising and marketing materials, all or part of the Marks, and other portions of the System and other similar materials used in operating Stores. We have not registered these copyrights with the United States Registrar of Copyrights, but need not do so at this time to protect them. You may use these items only as we specify while operating the Store (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the United States Copyright Office (Library of Congress) or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the Confidential Information (defined below) or copyrighted materials. We know of no infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state. We need not protect or defend our copyrights, although we intend to do so if we determine that it is in the System's best interests. We may control any action involving the copyrights, even if you voluntarily bring the matter to our attention. We need not participate in your defense nor indemnify you for damages or expenses in a proceeding involving a copyright.

You and your owners and personnel may from time to time be provided with and/or have access to our "Confidential Information," which includes any and all non-public information, knowledge, know-how, techniques and any materials used in or related to the System or to the Store which we provide or make available to you in connection with the Agreement, including but not limited to the Manual, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, recipes, personal data collected by you. Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates any personal information of the employees, officers, contractors, owners or other personnel of you, your affiliates, or the Store, such other personal information as we from time to time expressly designate as restricted data.

All Confidential Information will be owned by us and our affiliates. You acknowledge and agree that (i) you will not acquire any interest in any of our Confidential Information, other than the right to use it as we specify in operating the Store during the Term, and (ii) that our Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition

that you will protect it. You acknowledge that any unauthorized use or disclosure of our Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to us and our affiliates. You agree that during and after the term of the Franchise Agreement you will, and to cause your owners and personnel and assigns who have access to our Confidential Information to: (i) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of the Store in accordance with the Franchise Agreement, and not for any other purpose of any kind; (ii) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative's instructions; (iii) keep confidential and not disclose, sell, distribute, or trade our Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating the Store in accordance with the Franchise Agreement; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees; (iv) not make unauthorized copies of any of our Confidential Information; (v) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve our rights and controls in such Confidential Information, in each case that are no less protective or beneficial to us than the terms of the Franchise Agreement; and (vi) at our request, destroy or return any of the Confidential Information.

All ideas, concepts, techniques, or materials relating to the Store and/or the System created by you, your owners or your employees (or for you, your owners or your employees), whether or not protectable intellectual property, must be promptly disclosed to us and will be our sole and exclusive property, part of the System, and works made-for-hire for us (collectively, "Innovations"). To the extent that any Innovation does not qualify as a "work made-for-hire" for us, you hereby waive all moral rights in that item, assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in such Innovation.

If we require you to discontinue or modify your use of any subject matter covered by patent or copyright, we are not obligated to compensate you, protect any rights granted to you to use the subject matter, or to protect you against claims with respect to them.

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

We recommend that you actively participate in the operation of the Store. If you are not an individual, you must designate and retain at all times an individual to serve as the "Operating Principal" under the Multi-Unit Development Agreement and Franchise Agreement. If you are an individual, you must perform all obligations of the Operating Principal. If you are a corporation, partnership or any other form of entity, the Operating Principal must hold an ownership interest of at least 10% in you or any entity that directly or indirectly controls you.

We do not require you or your Operating Principal to have on-premises supervision of the operation of the Store; however, your Operating Principal must supervise the management of the Store. You must hire a Store Lead as the on-premises supervisor of your Store. Your Operating Principal may, but is not required to, serve as the Store Lead. The Store Lead must complete our training program to our satisfaction our initial training program and other training programs that we require you to participate in. All replacement Store Leads must complete our initial training program before servicing the customers of the Store. We may require the Store Lead and other personnel who have received or will have access to the Confidential Information to execute and bind themselves to confidentiality and non-competition covenants that we approve.

We may also require you, your owners and the spouse of each such person, to jointly, severally and personally guaranty and assume your obligations under the Franchise Agreement pursuant to the Guaranty and Assumption of Obligations which is attached as Attachment A of the Franchise Agreement.

## **ITEM 16**

### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

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

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

We may vary the menu items offered at the Store based on regional or local tastes or ingredients. We may designate the maximum prices for the goods, products and services offered from the Store, to the extent permitted by applicable law, and you must comply with our pricing requirements. We make no guarantees or warranties that offering the products or merchandise at the required price will enhance your sales or profits.

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

**THE FRANCHISE RELATIONSHIP**

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

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 3.1	Term continues for 10 years from the date of the Franchise Agreement unless terminated earlier.
b. Renewal or extension of the term	Section 3.1	Agreement may be renewed at your option for 2 additional 5-year terms.
c. Requirements for franchisee to renew or extend	Section 3.1	<p>You must notify us, in writing, no more than 120 days or less than 90 days prior to expiration of the then-current term of your Franchise Agreement, that you desire to renew the Franchise Agreement. We will send you any documents that you must sign for the renewal, which may include a renewal Franchise Agreement and a release (subject to state law), and you maintain possession of the premises.</p> <p>You may be asked to sign a contract with materially different terms and conditions than your original contract, but the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.</p>
d. Termination by franchisee	Not applicable	Except as permitted under applicable state law.
e. Termination by franchisor without cause	Not applicable	A default under one agreement with us may result in a termination of all of your other agreements with us.
f. Termination by franchisor with “cause”	Sections 16.1 and 16.2	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination of the Franchise Agreement. A default under one agreement with us may result in a termination of all of your other agreements with us.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	Sections 16.1 and 16.2	We may terminate you for cause if you fail to cure certain defaults, including: if you or any of your affiliates fail to pay any monies owed to us or our vendors and do not cure within five days after notice (or longer period required), fail to obtain execution of the Confidentiality and Non-Competition Covenants contained in the Franchise Agreement within 5 days after a request, fail to procure and maintain required insurance within seven days after notice, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice, fail to cure any other default that is susceptible of cure within 30 days after notice. A default under one agreement with us may result in a termination of all of your other agreements with us.
h. "Cause" defined – non- curable defaults	Sections 16.1 and 16.2	We may terminate you for cause if you fail to cure certain defaults, including: if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, have outstanding judgments against you for over 30 days, sell unauthorized products or services, fail to acquire an accepted location within time required, fail to remodel when required, fail to open Store when required, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, abandon or lose right to the premises, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent, maintain false books or records, or you or any of your Principals violate any anti-terrorism law. A default under one agreement with us may result in a termination of all of your other agreements with us.
i. Franchisee's obligations on termination/non-renewal	Section 17	Obligations include: you must stop operating the Store and using the Marks and System and completely de-identify the premises, pay all amounts due to us, return all Manuals, training materials, software and other proprietary materials, comply with confidentiality requirements, and at our option, sell or assign to us your rights in the premises and the equipment and fixtures used in the Store.
j. Assignment of contract by franchisor	Section 13.1	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction.
k. "Transfer" by franchisee – defined	Section 13.2	Includes sale, assignment, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Store or you (if you are not a natural person) either by operation of law or otherwise.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
l. Franchisor approval of transfer by franchisee	Section 13.2	You must obtain our consent before transferring any interest, which will not unreasonably withheld.
m. Conditions for franchisor approval of transfer	Section 13.3	Conditions include: you must pay all amounts due to us, not otherwise be in default, sign a general release (subject to state law), and pay a transfer fee. Transferee must meet our criteria, complete training to our satisfaction, execute current Franchise Agreement, and remodel the Store to meet our then-current System Standards.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13.4	We have the option to purchase the interest proposed to be transferred on the same terms and conditions as the original offer.
o. Franchisor's option to purchase franchisee's business	Section 17.2	On termination or expiration of the Franchise Agreement, we have the right to purchase all or a portion of the assets of the Store.
p. Death or disability of franchisee	Section 18.17	We may exercise our step-in rights to operate your business for as long as we deem necessary and practical.
q. Non-competition covenants during the term of the franchise	Sections 9.4 to 9.6	You and your owners (if you are not an individual) are prohibited from (i) operating or having an interest in a similar business, or diverting (or attempting to divert) any business or customer to any similar business, subject to state law, and (ii) operating or having any direct or indirect interest in any business (other than the Store) which is of a character and concept similar to everbowl Stores.
r. Non-competition covenants after the franchise is terminated or expires	Sections 9.4 to 9.6	You and your owners (if you are not an individual) are prohibited for 2 years from expiration or termination of the franchise from (i) operating or having an interest in a similar business within 50 miles of any Store in the System, and (ii) diverting (or attempting to divert) any business or customer to any competitor, subject to state law.
s. Modification of the agreement	Section 18.2	Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with Manual as amended.
t. Integration/merger clause	Section 18.2	Subject to state law, only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 18.5	Subject to state law, except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be arbitrated in San Diego, California, or, at our option, in the city in which our headquarters are then located (currently, Vista, California).
v. Choice of forum	Section 18.6	Subject to state law, the state or federal courts having jurisdiction and sitting in or nearest to San Diego, California, or, at our option, the state or federal courts having jurisdiction and sitting in or nearest to the city in which our headquarters are then located (currently, Vista, California).
w. Choice of law	Section 18.6	Subject to state law, the laws of the state in which the Store is operated or is to be located, subject to state law.

### THE DEVELOPER RELATIONSHIP

**This table lists certain important provisions of the Multi-Unit Development Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.**

Provision	Section in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	Section 5	Unless sooner terminated, the term of the Multi-Unit Development Agreement will expire on the date on which the final Store to be developed thereunder has opened for business or the last day of the last day by which you are required under the Development Schedule to open Stores, whichever is earlier.
b. Renewal or extension of the term	Not applicable	You have no right to renew or extend the Multi-Unit Development Agreement.
c. Requirements for developer to renew or extend	Not applicable	Not applicable
d. Termination by developer	Not applicable	Except as permitted under applicable law.
e. Termination by franchisor without cause	Not applicable	A default under one agreement with us may result in a termination of all of your other agreements with us.

Provision	Section in Multi-Unit Development Agreement	Summary
f. Termination by franchisor with “cause”	Sections 7.1, 7.2 and 7.3	Following certain defaults, we may terminate the Agreement or modify your territorial rights or alter your Development Schedule, rather than terminate the Agreement. A default under one agreement with us may result in a termination of all of your other agreements with us.
g. “Cause” defined - curable defaults	Sections 7.2 and 7.3	We may terminate you for cause if you fail to cure certain defaults, including: if you or your affiliates fail to pay any monies owed to us, or our vendors, and do not cure within five days after notice (or longer period required), fail to obtain execution of the Confidentiality and Non- Competition Covenants contained in the Agreement within 30 days after a request, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice or fail to cure any other default that is susceptible of cure within 30 days after notice. In addition, a default under one agreement with us may result in a termination of all of your other agreements with us. A default under one agreement with us may result in a termination of all of your other agreements with us.
h. “Cause defined – non-curable defaults	Sections 7.1 and 7.2	We may terminate you for cause based on certain non-curable defaults, including: if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws or similar state laws, have outstanding judgments against you for over 30 days, fail to comply with the Development Schedule, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent, or you or your owners violate any anti-terrorism law. A default under one agreement with us may result in a termination of all of your other agreements with us.
i. Developer’s obligations on termination/non-renewal	Sections 7.5 and 7.8	Obligations include: you must stop developing Stores or, on a partial termination of territorial or development rights under Section 7.4, must continue to develop only in accordance with any modified Development Schedule, and must comply with all applicable confidentiality and non-competition covenants.
j. Assignment of contract by franchisor	Section 8.1	We have the right to transfer or assign the Multi-Unit Development Agreement to any person or entity without restriction.

Provision	Section in Multi-Unit Development Agreement	Summary
k. “Transfer” by developer – defined	Section 8.2	Includes sale, assignment, conveyance, gift, pledge, mortgage or other disposal or encumbrance of any direct or indirect interest in the Multi-Unit Development Agreement or you (if you are not a natural person) either by operation of law or otherwise.
l. Franchisor approval of transfer by developer	Section 8.2	You must obtain our consent before transferring any interest. We will not unreasonably withhold our consent.
m. Conditions for franchisor approval of transfer	Section 8.2	Conditions include: you must pay all amounts due us, not otherwise be in default, execute a general release (subject to state law), remain liable for pre-transfer obligations and pay a transfer fee. Transferee must meet our criteria, assume post-transfer obligations, execute our then-standard Agreement and complete training.
n. Franchisor’s right of first refusal to acquire developer’s business	Section 8.3	We have the option to purchase the interest proposed to be transferred on the same terms and conditions.
o. Franchisor’s option to purchase developer’s business	Not applicable	Not applicable
p. Death or disability of developer	Section 8.4	If you or a Controlling Principal are a natural person, on death or permanent disability, you or the Controlling Principal’s interest must be transferred to someone approved by us within 12 months after death or 6 months after notice of permanent disability.
q. Non-competition covenants during the term of the Multi-Unit Development Agreement	Not applicable	Not applicable
r. Non-competition covenants after the Multi-Unit Development Agreement is terminated or expires	Not applicable	Not applicable
s. Modification of the agreement	Section 14.1	The Multi-Unit Development Agreement may not be modified unless mutually agreed to in writing, except we may unilaterally decrease the scope of certain non-competition covenants and if you are in default of the Multi-Unit Development Agreement, we can modify your territorial and/or development rights.

Provision	Section in Multi-Unit Development Agreement	Summary
t. Integration/merger clause	Section 14.1	Subject to state law, only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and Multi-Unit Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 14.2	Subject to state law, except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be arbitrated in San Diego, California, or, at our option, in the city in which our headquarters are then located (currently, Vista, California), subject to state law.
v. Choice of forum	Section 14.3	Subject to state law, the state or federal courts having jurisdiction and sitting in or nearest to San Diego, California, or, at our option, the state or federal courts having jurisdiction and sitting in or nearest to the city in which our headquarters are then located (currently, Vista, California), subject to state law.
w. Choice of law	Section 14.3	Subject to state law, the laws of the state in which your multi-unit developer business is operated or is to be located, subject to state law.

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit H.

### **ITEM 18** **PUBLIC FIGURES**

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

### **ITEM 19** **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing, other

than as set forth in this Item 19. 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 Erik Hansen at 1300 Specialty Dr., #100, Vista, CA 92081 and (760) 330-9001, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1 Systemwide Outlet Summary**  
**For Years 2021, 2022 and 2023 <sup>1</sup>**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	6	46	+40
	2022	46	54	+8
	2023	54	72	+18
Company-Owned <sup>2</sup>	2021	24	0	-24
	2022	0	0	0
	2023	0	6	+6
Total Outlets	<b>2021</b>	<b>30</b>	<b>46</b>	<b>+16</b>
	<b>2022</b>	<b>46</b>	<b>54</b>	<b>+8</b>
	<b>2023</b>	<b>54</b>	<b>78</b>	<b>+24</b>

1. Unless otherwise indicated, all figures in all Tables of this Item 20 are as of December 31 of each year, which is when our fiscal year ends.
2. Company-owned outlets means affiliate-owned outlets.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For Years 2021, 2022 and 2023**

State	Year	Number of Transfers
Arizona	2021	1
	2022	0
	2023	0
California	2021	0
	2022	1
	2023	1
<b>Total</b>	<b>2021</b>	<b>1</b>
	<b>2022</b>	<b>1</b>
	<b>2023</b>	<b>1</b>

**Table No. 3**  
**Status of Franchised Outlets For Years 2021, 2022 and 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2021	0	3	0	0	0	1	2
	2022	2	0	0	0	0	1	1
	2023	1	1	0	0	1	0	1
Arkansas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
California	2021	3	25	0	0	0	1	27
	2022	27	3	0	0	0	4	26
	2023	26	2	0	0	2	1	25
Colorado	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
Florida	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Georgia	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Indiana	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	2	0	0	0	0	4
Iowa	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
Kansas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Michigan	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Missouri	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Nevada	2021	0	4	0	0	0	0	4
	2022	4	2	0	0	0	3	3
	2023	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
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	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
Oregon	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	1	1
South Carolina	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Tennessee	2021	0	2	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	3	0	0	0	0	6
Texas	2021	0	1	0	0	0	0	1
	2022	1	4	0	0	0	0	5
	2023	5	1	0	0	0	1	5
Utah	2021	2	2	0	0	0	0	4
	2022	4	1	0	0	0	1	4
	2023	4	1	0	0	2	0	3
Virginia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
<b>Total</b>	<b>2021</b>	<b>6</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>46</b>
	<b>2022</b>	<b>46</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>54</b>
	<b>2023</b>	<b>54</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>72</b>

**Table No. 4**  
**Status of Company-Owned Outlets For Years 2021, 2022 and 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2021	2	0	0	0	2	0
	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1
California	2021	22	0	0	0	22	0
	2022	0	0	0	0	0	0
	2023	0	0	2	0	0	2
Mississippi	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
Utah	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	2	0	0	2
<b>Total</b>	<b>2021</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>0</b>
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>6</b>

**Table No. 5**  
**Projected Openings as of December 31, 2023**

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	1	0
Arizona	2	1	0
Arkansas	1	1	0
California	1	1	1
Colorado	1	2	0
Florida	4	3	0
Georgia	1	1	1
Idaho	4	0	1
Indiana	2	1	0
Iowa	3	2	0
Kansas	1	1	0
Louisiana	1	0	0
Massachusetts	0	0	2
Michigan	2	1	0
Missouri	1	2	0
Nebraska	0	1	0

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Nevada	1	0	0
New Jersey	1	1	0
North Carolina	1	1	0
Ohio	3	1	0
Tennessee	1	2	0
Texas	5	5	0
Utah	3	0	0
Virginia	0	1	0
<b>Total</b>	<b>39</b>	<b>29</b>	<b>5</b>

A list of the names of all franchisees and developers as of December 31, 2023 and their addresses and telephones numbers is provided in Exhibit D to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or developer who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year, which ended on December 31, 2023, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document is listed on Exhibit D to this Disclosure Document.

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

Some current and former franchisees have signed provisions restricting their ability to speak openly about their experience with our System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations that are required to be disclosed in this Disclosure Document.

## **ITEM 21** **FINANCIAL STATEMENTS**

We have attached as Exhibit D to this Disclosure Document (i) our unaudited financial statement as of March 31, 2024, including the balance sheet, statement of income, and statement of member's capital; and (ii) our audited financial statements, including the balance sheet, statement of income, a statement of member's capital, statement of cash flows, and accompanying auditor's notes for the fiscal years 2023, 2022, and 2021.

Our fiscal year end is December 31.

**ITEM 22**  
**CONTRACTS**

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

- |    |  |                  |
|----|--|------------------|
| 1. | Franchise Agreement<br>(Representations and Acknowledgment Statement<br>Attachment C to Franchise Agreement) | <u>Exhibit B</u> |
| 2. | Multi-Unit Development Agreement   | <u>Exhibit C</u> |
| 3. | Form of General Release  | <u>Exhibit F</u> |

**ITEM 23**  
**RECEIPTS**

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

**EXHIBIT A**  
**STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

**STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

**CALIFORNIA**

(808) 586-2722

Department of Financial Protection & Innovation  
Commissioner of Financial Protection &  
Innovation  
1 (866) 275-2677

(agent for service of process)

***Los Angeles***

320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013  
(213) 576-7505

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

***Sacramento***

2101 Arena Blvd.  
Sacramento, California 95834  
(916) 445-7205

**ILLINOIS**

Franchise Bureau  
Office of the Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

***San Diego***

1455 Frazee Road, Suite 315  
San Diego, California 92108  
(619) 610-2093

**INDIANA**

(state administrator)

***San Francisco***

One Sansome Street, Ste. 600  
San Francisco, California 94104  
(415) 972-8559

Indiana Secretary of State  
Securities Division, E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

(agent for service of process)

**HAWAII**

(state administrator)

Business Registration Division  
Securities Compliance Branch  
Department of Commerce and Consumer Affairs  
P.O. Box 40  
Honolulu, Hawaii 96810

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

**MARYLAND**

(state administrator)

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner  
at the Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

**MICHIGAN**

(state administrator)

Michigan Attorney General’s Office  
Consumer Protection Division  
Attn: Franchise Section  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48909  
(517) 373-7177

(agent for service of process)

Michigan Department of Commerce,  
Corporations and Securities Bureau  
P.O. Box 30054  
6546 Mercantile Way  
Lansing, Michigan 48909

**MINNESOTA**

(state administrator)

Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

(agent for service of process)

Commissioner of Commerce  
Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

**NEW YORK**

(state administrator)

Office of the New York State Attorney General  
Investor Protection Bureau  
Franchise Section  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8236 Phone  
(212) 416-6042 Fax

(agent for service of process)

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

**NORTH DAKOTA**

(state administrator)

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

(agent for service of process)

Securities Commissioner  
600 East Boulevard Avenue  
State Capitol - Fourteenth Floor, Dept. 414  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

**OREGON**

Department of Business Services Division of  
Finance & Corporate Securities  
350 Winter Street, NE, Room 410  
Salem, Oregon 97310-3881  
(503) 378-4387

**RHODE ISLAND**

Department of Business Regulation  
Division of Securities  
John O. Pastore Complex Building 69-1  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9645

**SOUTH DAKOTA**

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

**VIRGINIA**

(state administrator)

State Corporation Commission  
Division of Securities  
and Retail Franchising  
1300 East Main Street, Ninth Floor  
Richmond, Virginia 23219  
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission  
1300 East Main Street, 1<sup>st</sup> Floor  
Richmond, Virginia 23219  
(804) 371-9733

**WASHINGTON**

(state administrator)

Department of Financial Institutions  
Securities Division  
P.O. Box 41200  
Olympia, Washington 98504-1200  
(360) 902-8760

(agent for service of process)

Director  
Department of Financial Institutions  
Securities Division  
150 Israel Road, S.W.  
Tumwater, Washington 98501

**WISCONSIN**

(state administrator)

Securities and Franchise Registration  
Wisconsin Department of Financial Institutions  
4022 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-1064

(agent for service of process)

Office of the Secretary  
Wisconsin Department of Financial Institutions  
P.O. Box 8861  
Madison, Wisconsin 53708-8861  
(608) 261-9555

**EXHIBIT B**  
**FRANCHISE AGREEMENT**

**EVERBOWL® FRANCHISE AGREEMENT**

- 1. **Effective Date:** \_\_\_\_\_
- 2. **Franchisee:**
  - Name: \_\_\_\_\_
  - Address: \_\_\_\_\_
  - Attention: \_\_\_\_\_
  - Email Address: \_\_\_\_\_
  - Phone: \_\_\_\_\_
  - State of Formation: \_\_\_\_\_ Date of Formation: \_\_\_\_\_

3. **Location** (Section 2.2): \_\_\_\_\_

4. **Initial Term** (Section 3.1): 10 years from the Effective Date

5. **Successor Terms** (Section 3.1): Two (2) successive terms of five (5) years each

6. **Certain Fees and Reimbursements:**

- a. **Site Survey Fee** (Section 2.2): \$3,500
- b. **Initial Franchise Fee** (Section 4.1): \$37,500
- c. **Weekly Royalty Fee** (Section 4.2): 6% of the Store’s Gross Sales during the prior week
- d. **Technology Fee** (Section 4.5): \$250 per month (Subject to change)
- e. **Opening Assistance** (Section 5.5.4): You must reimburse us the expenses we incur providing on-site pre-opening and opening assistance in accordance with Section 5.5.4 of the Agreement.
- f. **Weekly Marketing Fee** (Section 7.3): 2% of the Store’s Gross Sales, subject to increase to 3% of Gross Sales on 30 days’ prior written notice.

7. **Ownership of Franchisee** (Section 5.2.5): The following persons are all of your direct and indirect owners:

Name	Address	Type of Interest	Percentage Held

8. **Operating Principal** (Section 5.2.5): \_\_\_\_\_

This Data Sheet and the attached Terms and Conditions form and are referred to herein as the “Agreement.” Intending to be bound by the terms of the Agreement, the parties have set forth their signatures below.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

**FRANCHISEE:**  
[NAME], a/an [\_\_]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EVERBOWL® FRANCHISE AGREEMENT**

**TERMS AND CONDITIONS**

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# EVERBOWL® FRANCHISE AGREEMENT

## TERMS AND CONDITIONS

The following terms and conditions (these “**Terms**”) are an integral part of the Agreement and define the rights and obligations of, and the relationship between, **Everbowl Franchise, LLC**, a California limited liability company whose address is 1300 Specialty Drive, #100, Vista, CA 92081, Attention: Chief Operating Officer (“**us**”), and the franchisee identified on the attached Data Sheet (“**you**”). References to the Agreement include these Terms and the Data Sheet to which they are attached.

### RECITALS

A. We and our affiliates have developed (and may continue to develop, revise and evolve) and claim ownership of a system for establishing and operating stores that are identified by and operate under the name and brand “everbowl” and offer, among other things, a variety of superfood-based bowls and smoothies with various toppings. In the Agreement, the term “**everbowl Stores**” refers generally to everbowl-branded stores that operate as part of our System, the “**Store**” refers to the everbowl Store that you will own, develop and operate pursuant to the Agreement, and “**System**” refers to the network of authorized everbowl Stores.

B. everbowl Stores are developed and operate in accordance with our standards and specifications (the “**System Standards**”), including the use of trademarks and service marks and trade names we designate from time to time to identify the business and the products and services they offer (the “**Marks**”); specified trade dress, including exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial controls and processes; training and assistance; and advertising and promotional programs. We may change System Standards from time to time, and those changes will become effective when we incorporate them into our confidential manual (“**Manual**”) or otherwise notify you of them in writing.

C. everbowl Stores may be operated by us, our affiliates and third parties that we believe meet our criteria and to whom we grant the right and license to develop, own and operate an everbowl Store (a “**Franchise**”).

D. You have requested that we grant you a Franchise, and in support of your request, you and, as applicable, your owners have provided us with information regarding your qualifications and financial capacity (the “**Application Materials**”). In reliance, in part, on the Application Materials, we are willing to grant your request on the terms and conditions contained in the Agreement.

### SECTION 1. GRANT

**1.1 Grant of Franchise.** We grant to you, and you accept, the Franchise to develop, own and operate the Store at, and only from, the Location (defined below) and strictly in accordance with the Agreement.

**1.2 Our Reserved Rights.** You acknowledge that you are not granted any exclusivity or territorial protection around the Store. We reserve for ourselves and our affiliates any rights that we have not expressly granted to you in the Agreement, and we are prohibited from doing only those things that we have expressly agreed in the Agreement not to do. Among our reserved rights are the right, directly or through our and our affiliates’ permittees, without the requirement to compensate you in any way, and without regard to the competitive impact it might have on the Store: (a) to operate, anywhere in the world, any business identified in whole or in part by any trademarks, including the Marks, and/or utilizing any systems or operating platforms, including the System; (b) to, anywhere in the world and through any distribution method, channel or platform, sell products under any trademarks, including the Marks; (c) to develop and/or own other franchise systems for the same or similar products and services using trade names and trademarks, including the Marks; and (d) to purchase, be purchased by, merge or combine with, businesses that we deem to offer direct competition to the everbowl Stores in general or the Store in particular.

**SECTION 2.**  
**SITE SELECTION, LEASE AND DEVELOPMENT**

**2.1 Your Responsibility to Locate and Procure the Location.** You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Store, and for constructing and equipping the Store at such site. You shall not make any binding commitment with respect to any proposed site for the Store unless the site is accepted by us as set forth below.

**2.2 Site Selection and Acceptance.** If we have accepted the location for the Store when we sign the Agreement, it is identified on the attached Data Sheet. If your proposed location has not been accepted by us as of the Effective Date, we will provide you with our standard site guidelines, and you are required, using your resources and at your expense, to propose one or more sites for our consideration, including providing information about the site that we request. You will have 30 days after the Effective Date to identify and get our acceptance of the site at which the Store will be developed. We may, at our option, conduct an on-site evaluation of your proposed site, and if we do, you agree to reimburse us the travel, food and lodging and incidental expenses of the representative we send to conduct the evaluation. Our acceptance of your proposed site signifies only that it meets the then-current minimum criteria that we have established for our own purposes and does not constitute our representation, promise, warranty or guarantee, express or implied, that the Store operated at that site will be profitable or otherwise successful. We will have 15 days after receipt of all of the information and materials we request to evaluate your proposed site to notify you that we have either accepted or declined it, in our sole discretion. If we do not provide you with notice of our decision within that period, the proposed site will be deemed to have been declined. The site we accept in accordance with this Section is referred to herein as the “**Location.**” Upon our acceptance of your proposed site, you must pay us the Site Survey Fee in the amount described in the Data Sheet.

**2.3 Acceptance of Lease.** You must submit a copy of the proposed lease or other agreement to secure possession of the Location (the “**Lease**”) for our review and written acceptance prior to its execution. The Lease shall contain certain provisions we require, from time to time, for the protection and continuity of the everbowl brand at the Location. Our current form of Lease Rider, which incorporates the lease provisions we currently require, is attached as Attachment B hereto. If we do not provide our written acceptance of the Lease within a reasonable time after you submit a copy of the Lease and the Lease Rider to us, then it will be deemed to have been declined. After the Location and Lease have been accepted by us in accordance with Section 2.2 and this Section 2.3, we will insert the Location’s address on the attached Data Sheet. You must provide us with a copy of the executed Lease within 15 days after its execution.

**2.4 Development and Opening of the Store.** Once the Lease has been signed, we will design the Store. You agree to purchase from our affiliate or other designated source a leasehold improvement, millwork, and FF&E package (collectively, the “**Build-Out Package**”) and to prepare the premises, or cause them to be prepared, for installation by our affiliate or other designee of the Build-Out Package. Other than the initial design of the Store, you are responsible, at your expense, for doing, and you agree to do, all things necessary to develop and prepare the Store for opening in accordance with the Agreement, our System Standards, and all applicable federal, state, local, municipal, or other governmental laws, ordinances and regulations. Within a reasonable time after the date of completion of construction and installation of the Build-Out Package, we may, at our option, conduct an inspection of the completed Store. You agree that you will not open the Store for business without our prior written authorization.

You acknowledge that time is of the essence and that the Store must be open and conducting business pursuant to the Agreement within two hundred and seventy (270) days after the Effective Date. Once you commence the operations of the Store, you must operate it continuously throughout the remainder of the Initial Term in compliance with the Agreement.

**2.5 Relocation.** If the Location or the characteristics of the area in which the Location is situated change during the Term, you may request our approval to relocate the Store to another location. If, in our sole discretion, we grant your request, the new location and the development of the Store at the new location will be subject to the same requirements in the Agreement that apply to the Location, but the identity of the new location, the timeline for closing the Location and reopening in the new location, and other acceptable conditions will be set forth in an amendment to the Agreement which will include those conditions and a general release of claims you and your related parties might

have against us and our related parties as of that time. When you and we sign that amendment, you will be required to pay us a relocation fee of \$2,500. You will also be required to reimburse our out-of-pocket expenses related to your relocation.

### **SECTION 3. TERM AND SUCCESSOR FRANCHISES**

**3.1 Term and Successor Franchises.** The initial term of the Agreement (the “**Initial Term**”) begins on the Effective Date and ends as set forth on the attached Data Sheet. You may acquire successor franchises as described in the attached Data Sheet, subject in each case to the following conditions:

3.1.1 You must notify us, in writing, of your desire to acquire a successor franchise not more than 120 days or less than 90 days prior to expiration of the Initial Term or the term of the 1<sup>st</sup> successor franchise, applicable.

3.1.2 You must have been, throughout the expiring term, in substantial compliance, and, at the expiration of such term, be in full compliance, with the Agreement (or applicable successor franchise agreement), your Lease, and all other agreements between you and us or our affiliates.

3.1.3 You must be able to maintain possession of the Location (or at an approved relocated premises) pursuant to the Lease or a lease reasonably acceptable to us.

3.1.4 If you qualify to acquire a successor franchise, we will, before the expiration of the expiring term, provide you with any documents that you are required to execute for the successor term, which documents may include, but are not limited to, a general release, our then-current form of Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of everbowl Store franchises, all of which will, except for the renewal provisions (which will be governed by this Section 3.1), contain terms and fees substantially the same as those included in our then-standard forms of franchise agreement and which will not obligate you to pay a further initial franchise fee (the “**Renewal Franchise Documents**”). However, for each successor term, you must pay us the successor term fee set in an amount equal to 50% of either the standard initial franchise fee we are then charging for new everbowl Store franchises or, if we are not then selling new franchises, the standard initial franchise fee we were last charging before we ceased new franchise sales.

3.1.5 By no later than expiration of the expiring term, you must execute and return to us the Renewal Franchise Documents and all other documents and instruments that we require in order to acquire the successor term, along with payment of the applicable fee. If we do not timely receive the executed documents and fee, then the Agreement or successor agreement shall expire, you will have no further rights to acquire a successor franchise, and you shall comply with the provisions of Section 17, and Section 20.2, and any other provisions that survive termination or expiration of the Agreement.

3.1.6 After we have received from you all executed Renewal Franchise Documents and the renewal fee, we will inspect the Store to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Store in order to bring the Store up to our then-current image and standards for new everbowl Stores. You will have 180 days from the date we provide you with notice of the required modifications to complete them. If you fail or refuse to make the required modifications, we will have the right to terminate the Renewal Franchise Documents.

**3.2 Refusal to Renew Franchise Agreement.** We may refuse to renew the Agreement and any Renewal Franchise Documents, as applicable, if you fail to satisfy any of the requirements set forth in Section 3.1

### **SECTION 4. CERTAIN FEES**

**4.1 Initial Franchise Fee.** By not later than your execution of the Agreement, you shall pay to us the initial franchise fee identified on the attached Data Sheet. The amount of the initial franchise fee when so paid shall be deemed fully earned in consideration of the administrative and other expenses incurred by us in granting the Franchise hereunder and for our lost or deferred opportunity to grant such franchise to any other party.

**4.2 Royalty Fees.** During the Initial Term, you shall pay to us, a continuing weekly royalty fee in the amount set forth on the attached Data Sheet (the “**Royalty Fee**”). The Royalty Fee will be due and payable on such day of the week that we require from time to time. “**Gross Sales**” means the total selling price of all services and products and all income of every other kind and nature related to the Store, whether for cash or credit and regardless of collection in the case of credit. If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the electronic cash register system and any cash shortage will not be considered in the determination. Gross Sales does not include the following:

4.2.1 receipts from the operation of any pre-approved vending machines located at the Store, except for any amount representing your share of the revenues from such machines;

4.2.2 sales and related taxes collected directly from customers and actually paid to any federal, state, municipal or local authority; and

4.2.3 proceeds from isolated sales of trade fixtures not constituting any part of your products and services offered for resale at the Store nor having any material effect on the ongoing operation of the Store required under the Agreement.

**4.3 Manner of Payment.** All fees are payable to us at the times and in the manner that we specify from time to time in the Manual or otherwise. You agree that we will have the right to withdraw funds from your designated bank account each week by electronic funds transfer (“EFT”) in the amount of the Royalty Fee and any other payments due to us and/or our affiliates. You agree to execute any documents required by us, our bank, your bank, and our Point-of-Sale System (as defined in Section 20.1.3) provider to effectuate EFTs.

**4.4 Royalty Reporting.** We have the right to poll your Point-of-Sale System directly to obtain Gross Sales and other information regarding the operation of the Store. If, for any reason, we are unable to independently verify your Gross Sales by accessing your Point-of-Sale system, you will report your Gross Sales to us (a “**Royalty Report**”) on the date and in such format as we may require. If we are unable to independently verify or you fail to timely report the Store’s Gross Sales as provided in this Section, we may debit your account for 120% of the last Royalty Fee and Marketing Fee (defined below) that we debited. If the Royalty Fee and Marketing Fee we debit are less than the Royalty Fee and Marketing Fee you actually owe to us, once we have been able to determine the Store’s true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and Marketing Fee we debit are greater than the Royalty Fee and Marketing Fee you actually owe, we will credit the excess against the amount we otherwise would debit from your account during the following week.

**4.5 Technology Fee.** We may charge you an initial or recurring fee (the “**Technology Fee**”) for (i) any proprietary software or technology that we or our affiliates license to you and for other maintenance, support, and technology development services that we or our affiliates provide, and (ii) any amount that we pay on your behalf to third-party providers of software and other technology. We may from time to time change the amount of Technology Fee payable to us. The Technology Fee is payable in addition to any other technology that we require to you license or purchase directly from a third party.

**4.6 Interest on Overdue Amounts.** You shall not be entitled to withhold payments due us under the Agreement for any reason. Any payment or report not actually received by us on or before its due date shall be deemed overdue. All overdue payments shall bear interest from the date due at the greater of 18% per annum or the maximum rate allowed by applicable law.

**4.7 Late Reporting Fee.** If we do not timely provide us with your Gross Sales under the circumstances described in Section 4.5 above, we may assess you a fee of \$100 per day for each day that we do not receive the required report. This fee is reasonably related to our costs resulting from the delay in receipt of any report, is not a penalty, and is in addition to any other remedy available to us under the Agreement.

## SECTION 5.

### YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

**5.1 Operation of the Store.** You and the Controlling Principals (defined below) agree to use commercially reasonable efforts to operate the Store so as to achieve optimum sales. You will, at all times, maintain

sufficient working capital reserves as necessary and appropriate to comply with your obligations under the Agreement. On our request, you will provide us with evidence of working capital availability. We reserve the right, from time-to-time, to establish certain levels of working capital reserves, and you will comply with such requirements. We may from time-to-time designate the maximum amount of debt that the Store may service, and you will comply with such limits. You agree to apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed grants, non-recourse loans, and/or bail-outs for which you qualify and that are made available to small businesses as an economic stimulus.

**5.2 Legal Entities.** If you are not a natural person, you and the Controlling Principals represent, warrant and covenant that:

5.2.1 you are duly organized and validly existing under the state law of your formation;

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

5.2.3 the execution of the Agreement and the consummation of the transactions contemplated hereby are within your power as provided under your organizational and governing documents and have been duly authorized by you and your owners;

5.2.4 your governing documents shall not be amended in any way that impacts your ability to comply with your obligations under the Agreement without our prior written consent;

5.2.5 all your direct and indirect owners, as of the Effective Date, are as reflected on the attached Data Sheet and will not hereafter change unless done so in accordance restrictions regarding Transfers under the Agreement; and

5.2.6 Your Controlling Principals and Operating Principal (defined below) shall, jointly and severally, assume and guarantee the performance of all of your obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty contained in Attachment A hereto. All other owners must sign agreements, on forms we approve from time to time, that are enforceable under applicable state law and under which they agree to the same confidentiality and noncompetition obligations to which you are bound under the Agreement.

**5.3 Operating Principal and Controlling Principals.** The “**Controlling Principals**” are those of your owners who we reasonably determine from time to time, either because of the extent of their direct or indirect ownership interests in you or the nature of the authority you grant to them, control you or any governing board, your management decisions, or your activities under the Agreement. You shall designate, subject to our approval, one of your owners holding at least a 10% direct or indirect ownership interest in you to serve as your Operating Principal (“**Operating Principal**”). Your initial Operating Principal is designated on the attached Data Sheet. The Operating Principal shall, at all times, supervise the management of the Store, meet our reasonable standards and criteria for an Operating Principal, and satisfy the training requirements set forth in Section 5.5.

If the Operating Principal ceases to serve or to be qualified to serve in that capacity, you shall promptly notify us and designate a replacement within 60 days after that event occurs or the determination is made. The replacement Operating Principal shall be subject to our approval and all other requirements listed above. You shall provide for interim management of the Store until such replacement is so designated, such interim management to be conducted in accordance with the terms of the Agreement.

**5.4 Store Lead.** The day-to-day operation of the Store shall, at all times, be under the supervision of a Store lead (“**Store Lead**”) that you appoint and that we approve. The Store Lead may, but need not, be one of your owners. The Store Lead shall, at all times, satisfy our educational and business experience criteria, devote full time and best efforts to manage the Store, and satisfy the training requirements set forth in Section 5.5.

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

5.5.1 Not later than 30 days prior to the scheduled opening of the Store, you or your Operating Principal, the Store Lead and two (2) Store employees (“**Your Required Trainees**”) shall have completed, to our reasonable satisfaction, our initial training program.

5.5.2 We will provide instructors and training materials for the initial training program for your Required Trainees, at no additional charge to you. We may charge a reasonable fee for participation in the initial training program by (a) more than your Required Trainees, (b) persons other than Your Required Trainees, and (c) replacements for Your Required Trainees.

5.5.3 If the initial training program is (a) not completed within the timeframe required by us, (b) not satisfactorily completed by the Operating Principal and/or Store Lead, or (c) if we in our reasonable business judgment, based upon the performance of the Operating Principal or Store Lead, determine that the training program cannot be satisfactorily completed by any such person, you shall designate a replacement to satisfactorily complete such training. Any Operating Principal or Store Lead subsequently designated by you shall also receive and complete, to our reasonable satisfaction, such initial training. We reserve the right to charge a reasonable fee for providing our initial training program to any replacement or successor manager or other personnel. You will be responsible for any and all expenses incurred by Your Trainees and any other personnel that, at your request, we allow to participate in the initial training program, including costs of travel, lodging, meals and applicable wages.

5.5.4 We will send one (1) of our personnel to the Store to provide on-site pre-opening and opening assistance for up to one (1) week, including after your soft opening. The identity of the personnel will be determined by us, in our discretion.

5.5.5 On your reasonable request or as we deem appropriate, we may, subject to the availability of our personnel, send our representatives to the Store to provide additional on-site training to the Store personnel. For additional on-site training we provide under this Section 5.5.5, you must pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus reimburse us for their costs of travel, lodging, and meals.

5.5.6 We reserve the right to conduct additional or refresher training programs, seminars and other related activities regarding the operation of the Store. Such training programs and seminars may be offered to you, your managers or other personnel generally, and we may designate that such training programs and seminars are mandatory for one or more of Your Trainees and/or other personnel. We do not anticipate charging a fee for such training, but you will pay for all of the expenses incurred by your personnel, including travel, lodging, meals and wages.

5.5.7 We reserve the right to hold annual meetings for all franchisees and other everbowl Store operators to provide additional training, introduce new products or changes to the System, or for other reasons. We reserve the right to designate that attendance at any annual meeting is mandatory for Your Trainees and/or other personnel. We do not anticipate charging a fee for the annual meetings, but attendance by you and your representatives will otherwise be at your expense.

5.5.8 Notwithstanding anything to the contrary, for any training program or national or regional meeting or conferences that we conduct, we may, in our discretion, supplement or replace in-person training with live or recorded online training modules.

**5.6 Compliance with Laws.** You shall, and shall ensure that your owners and personnel, comply with all requirements of federal, state and local laws, rules, regulations, and orders, including but not limited to obtaining the appropriate licenses and permits required by your local or state government. You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” mean Executive Order 13224 issued by the President of the United States, the U.S. Patriot Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Notwithstanding any non-mandatory suggestion by a governmental agency that you suspend your operations, you will not close the Store without our prior written consent.

## **SECTION 6. FRANCHISE OPERATIONS**

**6.1 Maintenance of Store.** You shall maintain the Store in a high degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including such periodic repainting or replacement of obsolete signs, furnishings, equipment (including, but not limited to, Point of Sale System, Required Software (as defined in Section 20.1.2), or Computer Systems (as defined in Section 20.1.1)), and décor as we may reasonably direct in order to maintain System-wide integrity and uniformity. You shall also obtain, at your cost and expense, any new or additional equipment (including Point of Sale System, Required Software, or Computer Systems), fixtures, supplies and other products and materials which may be reasonably required by us for you to offer and sell new menu items from the Store or to provide the Store services by alternative means, such as through catering arrangements. Except as may be expressly provided in the Manuals, no material alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Store or its premises without our prior written approval. If we notify you of any additions, alterations, repairs and replacements required to be made to the Store or the Location and you fail to make such additions, alterations, repairs and replacements within the timeframe we require, we shall have the right, without liability for trespass or tort, to enter the Location and make the additions, alterations, repairs and replacements, and you agree to promptly reimburse us for our expenses in so acting.

**6.2 Remodeling and Redecorating.** You shall, upon our request, remodel and/or redecorate the Store premises, equipment (including Point of Sale System, Required Software, or Computer Systems), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Store to our then-current System Standards. We agree that we shall not require major remodeling and/or redecorating to reflect changes to System Standards more frequently than every five (5) years during the Initial Term of the Agreement, except that if the Store franchise is transferred pursuant to Section 13, we may request that the transferee remodel and/or redecorate the Store premises as described herein.

**6.3 Approved Suppliers.** You shall comply with all of our System Standards relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including Point of Sale System, Required Software, or Computer Systems) and other products used or offered for sale at the Store, and purchase such items from suppliers (including manufacturers, distributors and other sources) approved by us, which may include or be limited to us and/or affiliates. We may also establish commissaries and distribution facilities or negotiate purchase arrangements with suppliers, and require you to purchase goods and services for the development and operation of the Store from such commissaries, distribution facilities or pursuant to the terms of such purchase arrangements. If we have not designated a supplier for any item or service that you wish to use for the development or operation of the Store, you may purchase such item or service from a supplier of your choosing who demonstrate the ability to meet our then-current standards and specifications and possess adequate quality controls and capacity to supply your needs promptly and reliably. You agree that we and our affiliates may periodically receive payments from approved suppliers, such as in the form of rebates, based on such approved suppliers' sales of products and services to our franchisees. We and our affiliates reserve the right to use or distribute or to not use or distribute, in our sole discretion, any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of goods, services or equipment. You hereby agree that you will not assert any interest in such monies.

**6.4 Operation of Store in Compliance with Our Standards.** You understand the importance of maintaining uniformity among all Stores and the importance of complying with all of our standards and specifications relating to the operation of the Store. Therefore, to ensure that the highest degree of quality and service is maintained, you shall operate the Store in strict conformity with such of our methods, standards and specifications set forth in the Manuals and as we may from time to time otherwise prescribe in writing. In particular, you also agree to:

6.4.1 sell or offer for sale all menu items, products and services required by us and in the method, manner and style of distribution prescribed by us;

6.4.2 sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by us; to refrain from deviating from our standards and specifications without our

prior written consent; and to discontinue selling and offering for sale any menu items, products or services which we may, in our sole discretion, disapprove in writing at any time;

6.4.3 maintain a sufficient supply of, and use, at all times only such ingredients, products, materials, merchandise, supplies and paper goods that conform to our standards and specifications;

6.4.4 use only our approved recipes and preparation techniques in preparing products to be sold at the Store;

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

6.4.6 purchase or lease and install, at your expense, all fixtures, furnishings, equipment (including Point of Sale System, Required Software, or Computer Systems), décor items, signs, and related items as we may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Store premises, without our prior written consent, any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items not previously approved as meeting our standards and specifications. If any of the property described above is leased by you from a third party, such lease shall be approved by us, in writing, prior to execution;

6.4.7 grant us and our agents the right to enter upon the Store premises, during normal business hours, for the purpose of conducting inspections; to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limiting our other rights under the Agreement, to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by us, we shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge you a reasonable fee for our expenses in so acting, payable by you immediately upon demand;

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

6.4.9 install and maintain equipment and a high speed telecommunications line in accordance with our specifications to permit us to access and retrieve by telecommunication any information stored on the Point of Sale System (or other computer hardware and software) you are required to utilize at the Store premises as specified in the Manuals, thereby permitting us to inspect and monitor electronically information concerning the Store, Gross Sales and such other information as may be contained or stored in such equipment and software. You shall obtain and maintain high speed Internet access or other means of electronic communication, as specified by us from time to time. We shall have access as provided herein at such times and in such manner as we shall from time to time specify;

6.4.10 operate the Store strictly and in all respects in compliance with Manuals;

6.4.11 sell or otherwise issue gift cards or certificates (together “**Gift Cards**”) through the approved Point-of-Sale system, and only in the manner specified by us in the Manuals or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another everbowl Store. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manuals or otherwise in writing. Currently, we do not require you to add to the Gross Sales the payment received by you at the time of the sale of the Gift Card. However, the value of the Gift Card redeemed at the Store, must be added to your Gross Sales. We reserve the right to alter the terms and conditions of any gift card or loyalty programs, including reserving the right to apply changes retroactively to benefits already accrued under such programs;

6.4.12 require all advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Store), and other items which may be designated by us to bear

the Marks in the form, color, location and manner prescribed by us, including notations about the ownership of the Marks;

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

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

6.4.15 participate, at your expense, in any “mystery shop” quality control and evaluation program we establish or mandate with respect to everbowl Stores; and

6.4.16 participate, at your expense, in third-party delivery programs that we designate from time to time.

6.4.17 participate, in online ordering, app ordering, as well as loyalty programs, as available by the Point-of-Sale system.

**6.5 Proprietary Products.** You acknowledge and agree that we and our affiliates have developed, and may continue to develop, for use in the System and for retail sale certain products which are prepared from confidential proprietary recipes and which are trade secrets of us and our affiliates, and other proprietary products bearing the Marks. You agree to use only our secret recipes and proprietary products and shall all of your requirements for such products solely from us or from a source designated by us, which may include or be limited to us or our affiliates. You further agree to purchase from us, our affiliates, or our designated supplier for resale to your customers certain merchandise identifying the System as we shall require, such as logoed merchandise, memorabilia and promotional products, in amounts sufficient to satisfy your customer demand.

**6.6 Telephone and Online Presence.** You agree that all telephone listings and Online Presence (as defined in Section 17.1.10) related to the Store shall be associated only with the Store and comply, in all respects, with the Manuals and the System Standards, which include our social media policy. You hereby appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of assigning to us only upon the termination or expiration of the Agreement, as required under Section 17.3: (i) all rights to the telephone numbers of the Store and any related and other business listings; and (ii) Online Presence related to the Store. You agree that you have no authority to and shall not establish any Online Presence without our express written consent, which consent may be denied or withdrawn without reason. You agree to sign any documents we deem necessary, from time to time, to effectuate the foregoing.

**6.7 Power of Attorney for Taxes.** You hereby appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of obtaining any and all returns and reports filed by you with any state or federal taxing authority relating to the Store. You agree to execute any forms or separate authorizations required by the taxing authority for this purpose.

**6.8 Unapproved Products and Services.** You must not sell any goods or services at or from the Store for wholesale or for resale, unless otherwise approved by us in writing. If you sell, from or associated with the Store or the Marks, any item or service that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unapproved or unauthorized item or service and (ii) pay to us, on demand, an amount equal to \$500 per day for each day such unauthorized or unapproved item or service is offered or provided by you after written notice from us as compensation for the expenses we are likely to incur as a result of your noncompliance. This payment is in addition to all other remedies available to us under the Agreement or at law.

**6.9 Pricing.** Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by the Store. If we impose such a maximum or minimum price,

you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

## **SECTION 7. ADVERTISING AND PROMOTION**

**7.1 Participation in Advertising and Marketing Program.** We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Stores operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you. We may, from time to time, incorporate into the System, programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Marks and which the Store will be required to offer and sell. This activity, referred to as “cobranding”, may involve changes to the Marks and may require you to make modifications to your premises and the furniture, fixtures, equipment, signs and trade dress of the Store. If you receive written notice that we are instituting a cobranding program, you agree promptly to implement that program at the Store at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Royalty Fees, Marketing Fee or local advertising expenditure obligations under the Agreement.

**7.2 Local Advertising.** In addition to the Marketing Fee set forth below, throughout the term of the Agreement, you must spend on a monthly basis an amount equal to one percent (1%) of Gross Sales on advertising and promotion of the Store (“**Local Advertising**”). You shall submit to us, within 30 days of our request, advertising expenditure reports accurately reflecting your Local Advertising expenditures, including verification copies of all marketing and any other information that we require.

**7.3 Marketing Fund.** We reserve the right to establish and administer a Marketing Fund for the purpose of advertising the Marks and System on a regional or national basis (the “**Marketing Fund**”). In addition to the Royalty Fee described in Section 4.2 above, you agree to pay to us a Marketing fee (“**Marketing Fee**”) in the amount set forth on the attached Data Sheet. Such amount shall be contributed to the Marketing Fund and used as described in this Section. The Marketing Fee is payable to us at the same time and in the same manner as the Royalty Fee. You agree that the Marketing Fund shall be maintained and administered by us or our designee as follows:

7.3.1 We or our designee will direct all advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You acknowledge that the Marketing Fund is intended to maximize general public recognition and acceptance of the Marks and System, generally. In administering the Marketing Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that you or any particular franchisee benefits directly or *pro rata* from the placement of advertising. We will be entitled to reimbursement from the Marketing Fund for our reasonable expenses in managing the Marketing Fund (including indirect costs such as salaries for our employees who devote time and effort to Marketing Fund related activities and overhead expenses) and collecting the Marketing Fee (including attorneys’, auditors’ and accountants’ fees and other expenses incurred in connection with collecting any Marketing Fee). The Marketing Fund and its earnings shall not otherwise inure to our benefit.

7.3.2 The Marketing Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; internet marketing; product research and development; public relations activities; employing

advertising agencies to assist therein; menu and product development; development and maintenance of our website; website and e-mail hosting; social media initiatives; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). All sums paid by you to the Marketing Fund may be commingled with our general funds but we account for them separately. The Marketing Fund is operated solely as a conduit for collecting and expending the Marketing Fees as outlined above.

7.3.3 We will prepare an annual statement of the operations of the Marketing Fund and will make the most recent year's statement available to you upon request. This statement of operations is not required to be unaudited.

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

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

7.3.6 Notwithstanding the foregoing, money in the Marketing Fund can be used to produce commercials and ad layout templates that you must adapt for the Store and use in Local Advertising, at your expense. The Marketing Fund may also develop new menus and table tents for use by all Stores in the System, and we may designate that our approved supplier will automatically ship these items to you, at your expense, when they are to be used.

**7.4 Your Advertising; Our Approval.** All advertising and promotion by you in any medium shall be conducted in a professional and ethical manner, in compliance with all applicable laws and regulations, and in conformity with our standards and requirements as set forth in the Manuals or otherwise. You shall obtain our approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by us or previously approved by us during the 12 months prior to their proposed use. You shall submit such unapproved plans and materials to us, and we shall have 15 days to notify you of our approval or disapproval of such materials. If we do not provide our specific approval of the proposed materials within this 15-day period, the proposed materials are deemed to be not approved. Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials. You shall not advertise or use the Marks in any fashion on the Internet, including social media, or via other means of advertising through telecommunication without our express written consent. We reserve the right to require you to include certain language on all advertising to be used locally by you, including, but not limited to, "Franchises Available" and reference to our telephone number and/or website.

**7.5 Grand Opening Advertising.** In addition to the ongoing advertising contributions set forth herein, you must spend at least \$10,000 on a grand opening advertising campaign to advertise the opening of the Store. The grand opening advertising campaign must commence thirty (30) days prior to the opening of the Store and continue until ninety (90) days after the opening of the Store or such other time and in such manner that we designate. We may require you to pay a portion of or the entire grand opening advertising campaign spend amount to us. If we do so, we will conduct the grand opening advertising campaign on your behalf.

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

Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Stores– also be devoted in part to offering Store franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to the foregoing, we have established an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be done.

Except as expressly provided in the Agreement, you may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with the Store; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “everbowl” name or any name confusingly similar to the Marks. Unless we give you our written permission, you are not permitted to promote the Store or use any of the Marks in any manner on websites or apps, such as Facebook, Snapchat, Instagram, LinkedIn or Twitter. We will control all social media initiatives.

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

## **SECTION 8. INTELLECTUAL PROPERTY**

**8.1 Use of Intellectual Property.** We grant you the non-exclusive right to use the Marks and the System during the Initial Term strictly in accordance with the System and related standards and specifications.

**8.2 Ownership of Intellectual Property; Limited License.** You expressly understand and acknowledge that:

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

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

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

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

8.2.5 You shall not contest the validity of or our or our affiliates’ interest in the Marks or the System or assist others to contest the validity of or our interest in the Marks or the System.

8.2.6 You acknowledge that any unauthorized use of the Marks or the System shall constitute an infringement of our and our affiliates’ rights in the Marks and the System and a material event of default hereunder. You agree that you shall provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all such rights, title and interest in and to the Marks,

including all such items as are reasonably requested by us to register, maintain and enforce such rights in the Marks and the System.

8.2.7 You understand that the Marks and the System may evolve over time, including after you sign the Agreement. If we decide to modify or discontinue use of any Marks or any components of the System and/or to adopt or use one or more additional or substitute proprietary marks or System components, then you, at your expense, shall be obligated to comply with any such instruction by us. You waive any claim arising from or relating to any Mark or System change, modification or substitution. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Mark or System addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

**8.3 Limitation on Use of Intellectual Property.** With respect to your licensed use of the Marks and the System pursuant to the Agreement, you further agree that:

8.3.1 Unless otherwise authorized or required by us, you shall operate and advertise the Store only under the Marks. You shall not use the Marks as part of your corporate or other legal name and shall obtain our approval of a trade name or “d/b/a” prior to filing it with the applicable state authority.

8.3.2 You shall identify yourself as the independent owner of the Store in conjunction with any use of the Marks or the System, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Store as we may designate in writing.

8.3.3 You shall not use the Marks to sign any contracts or incur any obligation or indebtedness on our behalf, or in connection with any prospective transfer that would require our approval under Section 13;

8.3.4 You shall comply with all applicable laws regarding filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

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

## **SECTION 9. CONFIDENTIALITY AND NON-COMPETITION COVENANTS**

**9.1 Confidential Operations Manuals.** During the term of the Agreement, we will give you access to the Manual. You agree to conduct your business in strict accordance with the Manuals, other written directives which we may reasonably issue to you from time to time whether or not such directives are included in the Manuals, as they might be revised from time to time, and any other manuals and materials created or approved for use in the operation of the Store. We reserve the right to provide such Manuals, materials and/or directives electronically. The Manuals, any of our written directives, and any other manuals and materials, and the information contained therein form part of our Confidential Information (defined below) and, as such, will be afforded the same protections as are provided to all other Confidential Information. The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by us shall at all times remain our sole property, shall at all times be kept in a

secure place on the Store premises, and shall be returned to us immediately upon request or upon termination or expiration of the Agreement. You shall at all times ensure that the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our headquarters shall control. We reserve the right to charge a replacement fee for any replacement copy of the Manuals or video requested by you.

**9.2 Confidential Information.** In connection with your business under the Agreement, you and your owners and personnel may from time to time be provided with and/or have access to “Confidential Information,” which includes any and all non-public information, knowledge, know-how, techniques and any materials used in or related to the System or to the Store which we provide or make available to you in connection with the Agreement, including but not limited to the Manual, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, recipes, data collected by you under Section 20.2 and the terms of the Agreement. Confidential Information does not include Restricted Data and information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates. All Confidential Information will be owned by us and our affiliates. You acknowledge and agree that (i) you will not acquire any interest in any of our Confidential Information, other than the right to use it as we specify in operating the Store during the Term, and (ii) that our Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you will protect it. You acknowledge that any unauthorized use or disclosure of our Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to us and our affiliates. You agree that during and after the Term you will, and to cause your personnel and assigns who have access to our Confidential Information to:

- (a) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of the Store in accordance with this Agreement, and not for any other purpose of any kind;
- (b) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative’s instructions;
- (c) keep confidential and not disclose, sell, distribute, or trade our Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating the Store in accordance with this Agreement; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees;
- (d) not make unauthorized copies of any of our Confidential Information;
- (e) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve our rights and controls in such Confidential Information, in each case that are no less protective or beneficial to us than the terms of this Agreement; and
- (f) at our request, destroy or return any of the Confidential Information.

We are not making any representations or warranties, express or implied, with respect to the Confidential Information. We and our affiliates have no liability to you and your affiliates for any errors or omissions from the Confidential Information.

**9.3 Innovations.** All ideas, concepts, techniques, or materials relating to the Store and/or the System created by you, your owners or your employees (or for you, your owners or your employees), whether or not protectable intellectual property, must be promptly disclosed to us and will be our sole and exclusive property, part of the System, and works made-for-hire for us (collectively, “Innovations”). To the extent that any Innovation does not qualify as a “work made-for-hire” for us, you hereby waive all moral rights in that item, assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in such Innovation. You represent,

warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including, without limitation, assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of the Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by you. The obligations of this Section shall survive any expiration or termination of the Agreement.

**9.4 Non-Competition.** You acknowledge that, pursuant to the Agreement, you and your owners will receive valuable training and access to Confidential Information and other trade secrets which are beyond your, your owners' and Your Trainees' and other employees' present skills and experience. You, therefore, agree that neither you nor any of your owners shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), partnership or corporation engage in or with a Competitive Business, as follows:

9.4.1 During the Initial Term: While the Agreement is in effect and, as to your owners, while they have a direct or indirect ownership interest in you, you and they will not (a) divert, or attempt to divert, any business or customer of the Store to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System, or (b) own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, act as a landlord to, or otherwise provide service, advice or counsel to any business which is of a character and concept similar to everbowl Stores, including a food service business which offers and sells the same or substantially similar food products (a "**Competitive Business**").

9.4.2 Following Expiration or Termination: Upon expiration or termination of the Agreement, for any reason, and for two years thereafter and, further, with respect to your owners who cease being owners prior to expiration or termination of the Agreement, for two (2) years following their no longer having any direct or indirect ownership interest in you, you and your owners will not, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, or corporation (a) divert, or attempt to divert, any business or customer of the Store hereunder to any competitor, by direct or indirect inducement or otherwise, or (b) own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist, or make loans to, act as a landlord to, or otherwise provide service, advice or counsel to any Competitive Business, which business is, or is intended to be, located at the Location, within a 50-mile radius of the Location, or within a 50-mile radius of the location of any then-existing everbowl Store.

9.4.3 The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of the Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and your owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section. We will have the right, in our sole and absolute discretion, to reduce the scope of any covenant set forth in this Section 9.4, or any portion thereof, without their consent, effective immediately upon notice to you; and you and your owners agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 18.2 hereof. The existence of any claims you or your owners may have against us, whether or not arising from the Agreement, shall not constitute a defense to our enforcement of the covenants in this Section.

The restrictions contained in this Section 9.4 shall not apply to ownership of less than a 5% beneficial interest in the outstanding equity securities of any publicly held corporation.

**9.5 Covenants from Others.** You shall require and obtain execution of covenants similar to those set forth in Section 9.4 (including covenants applicable upon the termination of a person's employment with you) from Your Trainees and all other of your personnel who have received or will have access to training from us, using forms that are approved by us and that provide maximum protection under applicable state law.

**9.6 Failure to Comply.** You acknowledge that any failure to comply with the requirements of this Section will result in irreparable injury to us for which no adequate remedy at law may be available, and, therefore, we may seek injunctive relief to enforce the restrictions set forth in Section 9.4. You agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section.

## **SECTION 10. BOOKS AND RECORDS**

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

**10.2 Reports.** In addition to the Royalty Report required by Section 4.4 hereof, you shall comply, at your expense, with the following reporting obligations:

10.2.1 submit to us, in the form we prescribe, a report of Gross Sales and a profit and loss statement for each calendar month (which may be unaudited) for you within 15 days after the end of each calendar month during the term hereof;

10.2.2 submit to us, in the form we prescribe, a report of Gross Sales and a profit and loss statement for each calendar quarter (which may be unaudited) for you within 15 days after the end of each calendar quarter during the term hereof;

10.2.3 provide to us a complete annual financial statement (which shall be reviewed) prepared by an independent certified public accountant, within 90 days after the end of each fiscal year during the term hereof, showing the results of your operations during such fiscal year; we reserve the right to require such financial statements to be audited by an independent certified public accountant satisfactory to us at your cost and expense if an inspection discloses an understatement of payments due to us of two percent (2%) or more in any report, pursuant to Section 10.3; and

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

**10.3 Inspections; Audits.** We or our designees shall have the right, during normal business hours, to review, audit, examine and copy any or all of your books and records as we may require at the Store. You shall make such books and records available to us or our designees immediately upon request. If any required payments due to us are delinquent, or if an inspection should reveal that such payments have been understated in any report to us, then you shall immediately pay to us the amount overdue or understated upon demand with interest determined in accordance with the provisions of Section 4.5 above. If an inspection discloses an understatement in any report you have provided to us of two percent (2%) or more, or if the inspection is caused by your failure to timely submit required reports, you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). These remedies shall be in addition to any other remedies we may have at law or in equity. You agree to also reimburse all of our costs (including supplier fees, travel expenses, room and board, and compensation of our employees) associated with re-inspections or follow-up visits that we conduct after any audit or inspection of the Store identifies one or more failures of System Standards, and/or if any follow-up visit is necessary because we or our designated representatives were for any reason prevented from properly inspecting any or all of the Store (including because you or your owners or personnel refuse entry to the premises of the Store).

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

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

## **SECTION 11. INSURANCE**

**11.1 Required Insurance.** You shall procure, before beginning construction or build-out of the Store, and shall maintain in full force and effect at all times during the Initial Term of the Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the Initial Term of the Agreement) at your expense, an insurance policy or policies protecting you and us, our successors and assigns, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Store. The types and amounts of coverages will be set forth in the Manuals from time to time. All required policies shall be written by responsible, duly licensed carriers reasonably acceptable to us and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time), any insurance that you must have according to the terms of the lease for the Location and as required by applicable law. You agree to provide us with proof of compliance with these requirements. Should you, for any reason, fail to procure or maintain the insurance required by the Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges shall be payable by you immediately upon notice together with a 15% administrative fee. The foregoing remedies shall be in addition to any other remedies we may have at law or in equity.

## **SECTION 12. DEBTS AND TAXES**

**12.1 Taxes.** You shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Store under the Agreement. Without limiting the provisions of Section 14, you shall be solely liable for the payment of all Taxes and shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether such Taxes were correctly or legally asserted or not. You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within 10 business days after such filing has been made with the appropriate taxing authority. The term “Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Store, the payment of monies, or the exercise of rights granted pursuant to the Agreement.

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

**12.3 Tax Disputes.** In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against the premises of the Store or any improvements thereon. You shall notify and deliver to us, in writing within five (5) days of the commencement of any action, suit or

proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency, other governmental instrumentality or by a third party against you or an insurer, which may adversely affect the operation or financial condition of the Store.

### **SECTION 13. TRANSFER OF INTEREST**

**13.1 Transfer by Us.** We may, without restriction, assign the Agreement and all of our attendant rights and privileges, or delegate our performance hereunder, to any person, firm, corporation or other entity.

**13.2 Transfer by You.** You understand and acknowledge that the rights and duties set forth in the Agreement are personal to you, and that we have granted rights under the Agreement in reliance on the business skill, financial capacity and personal character of you and, as applicable, your owners. Accordingly, neither you nor any owner, nor any successor or assignee of you or any owner, shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in the Agreement, in the Store and/or any of the Store's material assets (other than in connection with replacing, upgrading or otherwise dealing with such assets as required or permitted by the Agreement), or in you (each referred to herein as a "**Transfer**"), in each case without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of the Agreement shall be null and void and shall constitute a material event of default under the Agreement.

**13.3 Our Consent to Transfer.** If you or your owners wish to engage in a Transfer, the transferor and the proposed transferee shall apply to us for our consent. We will not unreasonably withhold our consent to a Transfer, but we will be entitled to reasonably condition our consent, including in some or all of the following ways:

13.3.1 all of the accrued monetary and other obligations arising under the Agreement or any other agreement between us or our affiliates and you or your affiliates (or, as applicable, the proposed transferor) and all trade accounts and other debts of the Store, of whatever nature or kind, shall be satisfied;

13.3.2 you and your affiliates provide us all information or documents we request about the proposed transfer, the transferee, and its owners;

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

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

13.3.5 the transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective franchisee's application for a Franchise;

13.3.6 the transferee shall execute, for a term ending on the expiration of the Initial Term and with such renewal terms as may be provided by the Agreement, the standard form franchise agreement then being offered to new everbowl Store franchisees and other ancillary agreements as we may require for the Store, which agreements shall supersede the Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of the Agreement, including, without limitation, the then-current Royalty Fee and Marketing Fee; provided, however, that the transferee shall not be required to pay an initial franchise fee;

13.3.7 the transferee, at its expense, shall renovate, modernize and otherwise upgrade the Store to conform to the then-current System Standards, and shall complete the upgrading and other requirements which conform to the System-wide standards within the time period reasonably specified by us;

13.3.8 the transferor shall remain liable for all of the obligations to us in connection with the Store incurred prior to the effective date of the Transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

13.3.9 at the transferee's expense, the transferee, the transferee's Operating Principal, Store Lead and/or any other applicable personnel shall complete any training programs then in effect for franchisees of Stores upon such terms and conditions as we may reasonably require;

13.3.10 you shall pay to us a transfer fee in an amount equal to (i) \$5,000, or (ii) 5% of the purchase price, whichever is greater, plus \$2,500, all to cover our expenses associated with the Transfer, including, for example, for document review and preparation, evaluation of the proposed transferee and training; and

13.3.11 you shall not take from the transferee a security interest in the Store or in any of the Store's assets without our prior written consent, which shall not be unreasonably withheld. In connection therewith, the secured party will be required by us to agree that its security interests will be subordinate to our security interests in the Store and its assets.

**13.4 Our Right of First Refusal.** If you wish to transfer all or part of your interest in the Store or the Agreement or if your owners wish to transfer any ownership interest in you, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify us in writing of each such offer and provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within 30 days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party, except that (a) we may substitute cash for any non-cash consideration proposed to be paid by the buyer, and (b) we may deduct from the purchase price any monies that are then owed to us or our affiliates under the Agreement or any other agreement. If we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) 60 days from the date of notice to the seller of the election to purchase by us, (ii) 60 days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Section 13.4 shall not constitute a waiver of any other provision of the Agreement, including all of the requirements of Section 13.2 or Section 13.3 with respect to a proposed transfer. We may assign our rights under this Section 13.4 to any other person or entity, subject to Section 13.1 above.

**13.5 No Waiver of Claims.** Our consent to a Transfer shall not constitute a waiver of any claims we have against the transferring party, nor shall it be a waiver of our right to demand material and full compliance with any of the terms of the Agreement by the transferee.

**13.6 Certain Transfers Among Owners.** Notwithstanding the foregoing, Transfers of direct or indirect ownership interests in you by one owner to another existing owner shall not require our prior written consent or be subject to our right of first refusal as long as the Transfer, alone or together with any other Transfers, does not result in the creation of a new Controlling Principal or causing a Controlling Principal to no longer be a Controlling Principal. You shall promptly notify us of such proposed Transfer in writing and shall provide such information relative thereto as we may reasonably request prior to such Transfer, together with payment of \$1,000.

## **SECTION 14. INDEMNIFICATION**

**14.1 Indemnification by You.** You shall, at all times, indemnify and hold harmless to the fullest extent permitted by law, us our successors and assigns, their respective partners and affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them ("**Indemnitees**"), from all "losses and expenses" (as defined in Section 14.4 below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) that arises out of your breach of the Agreement, that arises out of or is based upon the development or operation of the Store (whether or not in compliance with the Agreement), or that are alleged to have been caused by you or your employees acting as our employees or agents.

**14.2 Notification of Action or Claim.** You agree to give us prompt notice of any such action, suit, proceeding, claim, demand, inquiry, investigation, and/or audit or similar proceeding. At your expense and risk, we may elect to assume (but under no circumstance are we obligated to undertake) or appoint associate counsel of our own

choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish your or any guarantor's obligation to indemnify the Indemnitees and to hold them harmless.

**14.3 We May Settle.** In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we in our reasonable judgment deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation.

**14.4 Losses and Expenses.** All losses and expenses incurred under this Section 14 shall be chargeable to and paid by you or your owners pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity, or defense. As used in this Section 14, the phrase "losses and expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

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

**14.6 Survival of Terms.** You, for yourself and your owners, expressly agree that the terms of this Section 14 shall survive the termination, expiration or transfer of the Agreement or any interest herein.

## **SECTION 15. RELATIONSHIP OF THE PARTIES**

**15.1 No Fiduciary Relationship.** You understand and agree that you are and will be an independent contractor, and nothing in the Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. You agree that you alone are to exercise day-to-day control over all operations, activities and elements of the Store, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under the Agreement, whether set forth in our Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of the Store, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of the Store.

**15.2 Your Employees.** You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you or, as applicable, your affiliates and in no fashion is any such employee employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under your exclusive dominion and control and never under our direct or indirect control in any fashion whatsoever. You alone hire each of your employees; set their schedules; establish their compensation rates; and pay all salaries, benefits and employment-related liabilities (such as workers' compensation insurance premiums/payroll taxes/Social Security contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, and you acknowledge that we have no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that the Store is at all times staffed at those levels necessary to operate the Store in conformity with the System and the products, services, standards of quality and efficiency, and other everbowl brand attributes known to and desired by the consuming public and associated with the Marks. You may staff the Store with as many employees as you desire at any time so long as our minimal staffing levels are achieved. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Store and in no fashion reflects any employment relationship between us and

such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting yourself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

**15.3 You are Not Authorized.** You understand and agree that nothing in the Agreement authorizes you or any of your owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name or the Marks, and that we shall in no event assume liability for, or be deemed liable under the Agreement as a result of, any such action, or for any act or omission of you or any of your owners or any claim or judgment arising therefrom. It is understood that you may not, without our prior written approval, have any authority to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in the Agreement. Unless otherwise explicitly authorized by the Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under the Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Store.

## **SECTION 16. TERMINATION**

**16.1 Automatic Termination – No Right to Cure.** You acknowledge and agree that each of your obligations described in the Agreement is a material and essential obligation of yours; that non-performance of such obligations will adversely and substantially affect us and the System; and that our exercise of the rights and remedies set forth herein is appropriate and reasonable. You shall be in default under the Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your Controlling Principals become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or a Controlling Principal, or such a petition is filed against and not opposed by you or a Controlling Principal; if you or a Controlling Principal is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you, a Controlling Principal, or your or its business or assets is filed and consented to by you or such Controlling Principal; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Store shall be sold after levy thereupon by any sheriff, marshal, or constable

**16.2 Termination on Notice – No Right to Cure.** You shall be deemed to be in material default and we may, at our option, terminate the Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, if:

16.2.1 you operate the Store or sell any products or services authorized by us for sale at the Store at a location other than the Location;

16.2.2 you fail to timely acquire a Location, construct the Store, or open the Store within the time and in the manner specified in Article 2;

16.2.3 you (i) close the Store for business or inform us of your intention to cease operation of the Store, (ii) fail to actively operate the Store for three (3) or more consecutive days, or (iii) otherwise abandon or appear to have abandoned your rights under the Agreement;

16.2.4 you or your owners made any material misrepresentations or omissions in the Application Materials, breach any of your or their representations or warranties set forth in the Agreement, or are convicted of, or have entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or other crime

that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

16.2.5 a threat or danger to public health or safety results from the construction, maintenance or operation of the Store;

16.2.6 you or a Controlling Principal engages in a Transfer without complying with the provisions of the Agreement regarding Transfers;

16.2.7 you or any of your affiliates fail, refuse, or neglect promptly to (i) pay any monies owing to us, or any of our affiliates or vendors, when due under the Agreement or any other agreement, or to submit the financial or other information required by us under the Agreement and do not cure such default within five (5) days following notice from us, or (ii) pay any monies owing to any other third-party in connection with the Store, including the lessor of your premises, when due, and do not cure such failure within any applicable cure period granted by such third-party;

16.2.8 you or any of the Controlling Principals fail to comply with the in-term covenants in Section 9.4.1 hereof or you fail to obtain execution of the covenants and related agreements required under Section 9.5 hereof within 30 days following notice from us;

16.2.9 contrary to the terms of Section 9.2 hereof, you or any of your owners disclose or divulge any Confidential Information, or fail to obtain execution of covenants and related agreements required under Section 9.3 hereof within 30 days following notice from us;

16.2.10 you knowingly maintain false books or records, or submit any false reports to us;

16.2.11 you fail to propose a qualified replacement or successor Operating Principal or Store Lead within the time required under the Agreement, following 10 days' prior written notice;

16.2.12 you fail to procure and maintain the insurance required under the Agreement and fail to cure such default within 10 days following notice from us;

16.2.13 you misuse or make any unauthorized use of the Marks or the System or otherwise materially impair the goodwill associated therewith or our rights therein;

16.2.14 you fail to comply with any provision of the Agreement on at least three (3) occurrences within any 12-month period, whether or not such defaults are of the same or different nature, or you fail to comply with the same provision of the Agreement within any 6-month period, in either case, whether or not we notify you of the defaults, and, if we do notify you of the defaults, whether or not such defaults have been cured by you after notice by us;

16.2.15 you fail to comply with all applicable laws and ordinances relating to the Store, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

16.2.16 any license or permit you are required to maintain for the operation of the Store is revoked.

**16.3 Notice of Termination – 30 Days to Cure.** We may terminate the Agreement, on notice to you, if you fail to comply with any provision of the Agreement, other than those referenced in Sections 16.1 and 16.2 of the Agreement, and do not correct such failure within 30 days following our written notice of the failure.

**16.4 Cross-Defaults, Non-Exclusive Remedies.** Any default under any other agreement between us or our affiliate and you or your affiliate, under the Lease for the Location, or under any loan or security agreement for which the Store or its assets are collateral, shall be considered a default under the Agreement. We may terminate the Agreement, on notice to you, if you or your affiliate fails to cure the default within the time period specified under such other agreement.

**16.5 Our Right to Discontinue Services to You.** If you are in breach of any obligation under the Agreement, and we deliver to you a notice of termination pursuant to this Section 16, then in addition to our other rights under the Agreement, at law, or in equity, we have the right to suspend our performance of any of our obligations under the Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your "click through" subpage on our website, until such time as you correct the breach.

## SECTION 17. POST-TERMINATION

**17.1 On Expiration or Termination of the Agreement.** Upon expiration or termination, for any reason, of the Agreement, all rights granted hereunder to you shall forthwith terminate, and:

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

17.1.2 **Stop Using the System.** You shall immediately and permanently cease to use, in any manner whatsoever, the Marks, and any confidential methods, computer software, procedures, and techniques associated with the System and will de-image the Location and exterior and interior of the Store to remove any indication that the premises or building are or were part of the System.

17.1.3 **Cancellation of Assumed Names.** You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of the Agreement.

17.1.4 **No Use of Similar Marks.** You agree, if you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks, including any trade dress, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our rights in and to the Marks, and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

17.1.5 **Payment of Sums Owed.** You shall promptly pay all sums owing to us. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you and the enforcement of your obligations under the Agreement.

17.1.6 **Return of Manuals and Materials.** You shall immediately deliver to us all Manuals, videos, software licensed by us (if any), records, files, instructions, correspondence, all materials related to operating the Store, including, without limitation, agreements, invoices, and any and all other materials relating to the operation of the Store in your possession or control, and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, except your copy of the Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. Notwithstanding the foregoing, if any of the aforesaid information is in digital format, we reserve the right to require you to return the digital files to us or to destroy the digital files and provide proof of their destruction.

17.1.7 **Other Confidential Information.** You shall comply with the restrictions on Confidential Information contained in Section 9.2 of the Agreement and shall also comply with the non-competition covenants contained in Section 9.4. Any other person required to execute similar covenants pursuant to Section 9 shall also comply with such covenants.

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

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

17.1.10 **Contact Identifiers and Online Presence.** You shall cease using or operating with any Contact Identifiers or Online Presence related to the Store or the Marks, and take any action as may be required to transfer exclusive control and access of such Contact Identifier or Online Presence to us or our designee or, at

our option, to disable such Contact Identifier or Online Presence. “**Contact Identifiers**” are each telephone or facsimile number, directory listing, and any other type of contact information used by or that identifies or is associated with the Store, and “**Online Presence**” is any website, domain name, email address, social media account, user name, other online presence or presence on any electronic, virtual, or digital medium of any kind;

17.1.11 Assignment of Lease. If the Lease is with a third party or you have leased any equipment used in the operation of the Store, then you shall, at our option, assign to us any interest which you have in the Lease or any such equipment lease. We may exercise such option at or within 30 days after either termination or (subject to any existing right to renew) expiration of the Agreement. If we do not elect to exercise our option to acquire the Lease, you shall make such modifications or alterations to the Store premises as are necessary to distinguish the appearance of the Store from that of other everbowl Stores and shall make such specific additional changes as we may reasonably request. If you fail or refuse to comply with the requirements of this Section 17.1.10, we shall have the right to enter upon the premises of the Store, without being guilty of trespass or any other crime or tort, to make or cause to be made such changes as may be required, at your expense, which expense you agree to pay upon demand. Notwithstanding the provisions of this Section 17.1.10 to the contrary, if the Lease is assigned to us, we hereby indemnify and hold harmless you and any guarantors under said lease, for any breach by us or our successors or assigns from any liability arising out of the lease for the Store premises from and after the date of the assignment of Lease.

**17.2 Our Right to Purchase.** On expiration or termination of the Agreement, we shall have the option, to be exercised within 30 days after termination or expiration of the Agreement (the “**Election Period**”), to purchase from you, free and clear of all liens and with customary representations and warranties, any or all of the furnishings, equipment (including Point of Sale System, Required Software, or Computer Systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Store, at fair market value. We shall be purchasing your assets only and shall be assuming no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within 30 days of our exercise of this option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees. If we elect to exercise this purchase option, we shall have the right to set off (i) all fees for any such independent appraiser due from you, (ii) all amounts due from you to us and our affiliates, and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor.

The time for closing of the purchase and sale of the properties described in this Section shall be a date not later than 30 days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date. Closing shall take place at our corporate offices or at such other location as the parties may agree.

During the Election Period and through the closing (if we elect to exercise the option to purchase the Store), we shall have the right to (i) assume the operations of the Store, or (ii) require you to close the Store. In either case, you shall maintain in force all insurance policies, the Lease, and business licenses required pursuant to this Agreement through the closing date, unless we do not exercise the purchase option prior to the expiration of the Election Period. If we elect to assume operations, you acknowledge and agree that any and all revenue of the Store during such period will belong to us.

We may assign any and all of our options in this Section to any other party, without your consent.

**17.3 Liquidated Damages.** If we terminate the Agreement with cause, you must pay us, within 15 days after the date of termination, liquidated damages equal to the average value of the Royalty Fees you paid or owed (per week) to us during the 52 weeks before the termination multiplied by (i) 104, being the number of weeks in two (2) full years, or (ii) the number of weeks remaining during the term of the Agreement, whichever is less. The parties agree that it would be impracticable to determine precisely the damages we would incur from the Agreement’s termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been the Agreement’s remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good

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

## **SECTION 18. MISCELLANEOUS**

**18.1 Notices.** Any and all notices required or permitted under the Agreement shall be in writing and shall be directed to the respective parties at the addresses shown on the attached Data Sheet or these Terms, as applicable, unless and until a different address has been designated by written notice to the other party. Notices shall be deemed to have been delivered on the earlier of the date of actual delivery or one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery.

**18.2 Entire Agreement.** The Agreement, including the attached Data Sheet and attachments, constitutes the entire, full and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior related agreements between us and you. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from the Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in the Agreement or in any related agreement or exhibit to the Agreement is intended to disclaim the representations we made in the franchise disclosure document.

**18.3 No Waiver.** The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin: 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.

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

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

**18.5 Arbitration.** We and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your Controlling Principals, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) the Agreement or any other agreement between you (or any of your Controlling Principals) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of the Agreement or any other agreement between you (or any of your Controlling Principals) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section 18.5, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any standard which forms part of the System must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable

location chosen by the arbitrator in San Diego, California, or, at our option, in the city in which our (or our successor's or assign's) headquarters are then located (currently, Vista, California). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The decision of the arbitration shall be final and binding upon each party and may be enforced by any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Section 18.5, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings).

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any controversy, dispute, or claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any controversy, dispute, or claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your Controlling Principals, guarantors, affiliates, and employees) may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) or brought on your behalf by any association or agency. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a controversy, dispute, or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that controversy, dispute, or claim and that such controversy, dispute, or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreements.

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our controversy, dispute or claim for arbitration on the merits as provided in this Section.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreements.

Any provisions of the Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

**18.6 Venue; Governing Law.** Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, the Agreement and the relationships created hereunder will be interpreted under, and any controversy, dispute, or claim shall be governed by, the laws of the state in which the Store is operated or is to be located, which laws shall prevail in the event of any conflict of law. Subject to the obligation to arbitrate under Section 18.5 above, you and your Controlling Principals agree that all actions arising under the Agreement (or any other agreement between us and our affiliates and you and your affiliates), the Store, and all controversies, disputes, or claims arising from the relationship between you and us must be commenced in the court nearest to San Diego, California, or, at our option, the city in which our (or our successor's or assign's) headquarters are then located (currently, Vista, California), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in such courts.

**18.7 Waiver of Punitive Damages; Waiver of Jury Trial.** You, the Controlling Principals and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers,

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

We and you irrevocably waive trial by jury in any controversy, dispute, or claim, whether at law or in equity, brought by either of us against the other. Any and all controversies, disputes, and claims arising out of or relating to the Agreement, the relationship of you and us, or your operation of the Store, brought by either party hereto against the other, whether in arbitration or a legal action, shall be commenced within one (1) year from the occurrence of the facts giving rise to such controversy, dispute, or claim, or such controversy, dispute, or claim shall be barred.

**18.8 Execution in Multiple Counterparts.** The Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

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

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

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

**18.12 Construction.** All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. The term “**your owners**” shall include your direct and indirect owners. The term “**including**” shall mean including, without limitation. Without limiting the obligations individually undertaken by the Controlling Principals under the Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in the Agreement shall be deemed, jointly and severally, undertaken by all of the Controlling Principals.

**18.13 Rights and Remedies Cumulative.** All rights and remedies of the parties to the Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of the Agreement or any other agreement between you or any of your affiliates and us.

**18.14 No Rights or Remedies Except to the Parties.** Except as expressly provided to the contrary herein, nothing in the Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, members and employees and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section 13), any rights or remedies under or as a result of the Agreement.

**18.15 Modification of the System.** You understand and agree that the System must not remain static if it is to meet presently unforeseen changes in technology, competitive circumstances, demographics, populations,

consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which the Store is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying, or substituting other words or designs for, the Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that the Agreement was executed.

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. You expressly waive any claims, demands or damages arising from or related to the foregoing activities including any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

**18.16 Step-In Rights.** If we determine in our sole judgment that the operation of the Store is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Store which would cause harm to the System and thereby lessen its value, you authorize us to operate the Store for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under the Agreement (the “**Step-In Rights**”). In our sole judgment, we may deem you incapable of operating the Store if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of any and every kind placed upon or against the Store; or we determine that operational problems require that we operate the Store for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern.

If we exercise our Step-In Rights, you must pay us a reasonable fee and compensate us for the expenses incurred by us in exercising the Step-In Rights. We shall keep in a separate account all monies generated by the operation of the Store, less (i) the expenses of the Store, (ii) our fee for exercising the Step-in Rights, and (iii) the expenses incurred by us in exercising our Step-In Rights. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys’ fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under the Agreement, including, without limitation, termination. Your indemnification obligations under the Agreement will continue to apply during any period that we or our designee operate the Store. We may freely assign any part of our rights under this Section to a third party. You agree that we or our designee need to exercise only a reasonable degree of care in operating the Store and are under no duty to take extraordinary measures or, in any way, fund the operations to ensure the Store’s success or continued operations during or after such period. You agree that you will continue to bear sole liability for any and all accounts payable, obligations, and/or contracts, including all obligations under the Store’s Lease and all obligations to your vendors and employees and contractors, unless and until we expressly assume them in connection with the purchase of your Center under Section 17.2.

**18.17 Costs and Legal Fees.** If we are required to enforce the Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants’, attorneys’, attorney assistants’, and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with the Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

**18.18 Prohibited Parties.** You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

(1) Listed on: (a) the U.S. Treasury Department’s List of Specially Designated Nationals, (b) the U.S. Commerce Department’s Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department’s Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224.

(2) A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the Initial Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

## **SECTION 19. SECURITY INTERESTS**

As security for the performance of your obligations under the Agreement, including payments owed to us for purchase by you, you hereby collaterally assign to us the Lease and grant us a security interest in all of the assets of the Store, including but not limited to inventory, accounts, supplies, contracts, cash derived from the operation of the Store and sale of other assets, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under the Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under the Agreement and at law. If a third party lender requires that we subordinate our security interest in the assets of the Store as a condition to lending you working capital for the construction or operation of the Store, we will agree to subordinate pursuant to terms and conditions determined by us. The Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and state that we deem appropriate to protect our interests.

## **SECTION 20. TECHNOLOGY**

**20.1 Computer Systems and Software.** The following terms and conditions shall apply with respect to your computer system:

20.1.1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Stores, including without limitation: (a) back office systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Stores, between or among Stores, and between and among the Store and us and/or you; (b) Point of Sale Systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the “**Computer System**”).

20.1.2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System (“**Required Software**”), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; and (d) the database file structure of your Computer System.

20.1.3 You shall record all sales, including third-party and catering, on the computer-based point-of-sale system approved and provided by us or on such other types of systems as may be designated by us in

the Manual or otherwise in writing (“**Point of Sale Systems**”), which shall be deemed part of your Computer System.

20.1.4 You shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as we may request in writing (collectively, “**Computer Upgrades**”).

20.1.5 You shall comply with all specifications issued by us with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us.

**20.2 Personal Information.** You may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”). You may gain access to such Personal Information from us, our affiliates, our vendors, or your own operations. You acknowledge and agree that all Personal Information is our Confidential Information and is subject to the protections in Section 6.1.

During and after the Term, you (and if you are conducting business as an Entity, each of your Owners) agree to, and to cause your respective current and former employees, representatives, affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (b) assist us with meeting our compliance obligations under all applicable laws and regulations relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach. We reserve the right to conduct a data security and privacy audit of any of your Franchised Business and your Computer Systems at any time, from time to time, to ensure that you are complying with our requirements. You must promptly notify us if you receive any complaint, notice, or communication, whether from a governmental agency, customer or other person, relating to any Personal Information, or your compliance with your obligations relating to Personal Information under this Agreement, and/or if you have any reason to believe you will not be able to satisfy any of your obligations relating to Personal Information under this Agreement.

Notwithstanding anything to the contrary in this Agreement or otherwise, you agree that we do not control or own any of the following Personal Information (collectively, the “**Restricted Data**”): (a) any Personal Information of the employees, officers, contractors, owners or other personnel of you, your affiliates, or your Franchised Business; and (b) such other Personal Information as we from time to time expressly designate as Restricted Data. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data; provided, that in each case you agree to comply with all applicable laws, regulations, orders, and the guidance and codes issued by industry or regulatory agencies applicable to such Restricted Data.

**20.3 Privacy.** You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals (“**Privacy**”), and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

**20.4 Telecommunications.** You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your

Computer System and our Intranet (as defined below), if any, and/or such other computer systems as we may reasonably require.

**20.5 Intranet.** We may establish a website, virtual private network, cloud-based system or the like providing private and secure communications between us, you, franchisees, licensees and other persons and entities as determined by us, in our sole discretion (an “**Intranet**”). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Intranet and utilizing the Intranet in connection with the operation of the Store. The Intranet may include, without limitation, the Manuals, training other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet.

**20.6 No Outsourcing Without Prior Written Consent.** You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor, unless we have designated an approved supplier to provide such services. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor’s entry into a confidentiality agreement with us and you in a form that is reasonably provided by us.

**20.7 Changes to Technology.** You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of the Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Section 20 were periodically revised by us for that purpose. You acknowledge and understand that the Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades.

*END OF TERMS*

## ATTACHMENT A TO AGREEMENT

### GUARANTY AND ASSUMPTION OF OBLIGATIONS

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** is given this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated or supplemented from time to time, the “Agreement”) on this date by **EVERBOWL FRANCHISE, LLC** (“us”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that \_\_\_\_\_ (“Franchisee”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, the undersigned shall present updated financial information to us as reasonably necessary to demonstrate his or her ability to satisfy the financial obligations of Franchisee under the Agreement.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned’s spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each of the undersigned represents and warrants that, if it is a business entity, retirement or investment account, or trust, that if Franchisee is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor’s account) to its owners, account holder or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

The provisions contained in the Agreement pertaining to dispute resolution, including Section 18.5 (Arbitration), Section 18.6 (Venue; Governing Law), and Section 18.7 (Waiver of Punitive Damages; Waiver of Jury Trial) are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the undersigned and us. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

*SIGNATURE PAGE FOLLOWS*

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

<b>GUARANTOR(S)</b>		<b>SPOUSE(S)</b>	
<b>#1:</b>		<b>#1:</b>	
Address:		Address:	
Sign:		Sign:	
<b>#2:</b>		<b>#2:</b>	
Address:		Address:	
Sign:		Sign:	
<b>#3</b>		<b>#3</b>	
Address:		Address:	
Sign:		Sign:	

**ATTACHMENT B TO AGREEMENT**

**FORM LEASE RIDER**

TO LEASE AGREEMENT DATED \_\_\_\_\_  
BY AND BETWEEN

\_\_\_\_\_, AS "LANDLORD"  
AND

\_\_\_\_\_, AS "TENANT" FOR THE DEMISED PREMISES  
("PREMISES") DESCRIBED THEREIN

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This Rider and the provisions hereof are hereby incorporated into the body of the lease to which this Rider is attached (the "Lease"), and the provisions hereof shall be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Rider and the provisions of the Lease, this Rider shall govern and control.

1. Consent to Collateral Assignment to Franchisor; Disclaimer. Landlord acknowledges that Tenant intends to operate an everbowl store in the Premises, and that Tenant's rights to operate an everbowl store and to use the everbowl name, trademarks and service marks are solely pursuant to a franchise agreement ("Franchise Agreement") between Tenant and EVERBOWL FRANCHISE, LLC ("Franchisor"). Tenant's operations at the Premises are independently owned and operated. Landlord acknowledges that Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises. Notwithstanding any provisions of this Lease to the contrary, Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant's interest in this Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, or (ii) Franchisor's (or any entity owned or controlled by, or under common control with, Franchisor) succeeding to Tenant's interest in the Lease by mutual agreement of Franchisor and Tenant, or as a result of Franchisor's exercise of rights remedies under such collateral assignment or as a result of Franchisor's termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, or (iii) Tenant's, Franchisor's or any other franchisee of Franchisor's assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement. Landlord, Tenant and Franchisor agree and acknowledge that simultaneously with such assignment pursuant to the immediately preceding sentence, Franchisor shall be released from all liability under the Lease or otherwise accruing after the date of such assignment (in the event Franchisor is acting as the assignor under such assignment), but neither Tenant nor any other franchisee shall be afforded such release in the event Tenant/such franchisee is the assignor unless otherwise agreed by Landlord. Landlord further agrees that all unexercised renewal or extension rights shall not be terminated in the event of any assignment referenced herein but shall inure to the benefit of the applicable assignee.

2. Notice and Cure Rights to Franchisor. Prior to exercising any remedies hereunder (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default by Tenant, and commencing upon receipt thereof by Franchisor, Franchisor shall have 10 additional days to the established cure period as is given to Tenant under the Lease for such default, provided that in no event shall Franchisor have a cure period of less than (i) 10 days after Franchisor's receipt of such notice as to monetary defaults or (ii) 30 days after Franchisor's receipt of such notice as to non-monetary defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor is as follows:

Everbowl Franchise, LLC  
1300 Specialty Drive, #100  
Vista, California 92081

3. Non-disturbance from Mortgage Lenders. Notwithstanding anything contained in the Lease to the contrary or in conflict, it shall be a condition of the Lease being subordinated to any mortgage, deed of trust, deed to secure debt

or similar encumbrance on the Premises that the holder of such encumbrance agree not to disturb Tenant's rights under this Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations hereunder beyond an applicable grace or cure period provided herein (as may be extended from time to time pursuant to paragraph 6 immediately above).

***CHECK THE FOLLOWING PARAGRAPH THAT APPLIES. CHECK ONLY ONE. IF NONE IS CHECKED, THEN CLAUSE a) BELOW WILL BE APPLICABLE, AND CLAUSE b) BELOW WILL BE DEEMED DELETED***

A)  Landlord represents and warrants that on the date hereof no mortgage, deed of trust, deed to secure debt or similar encumbrance encumbers the Premises.

B)  A mortgage, deed of trust or deed to secure debt currently encumbers the Premises. It is a condition precedent to Tenant's obligations under this Lease that the holder of such encumbrance enter into a written subordination and non-disturbance agreement with Tenant, in form acceptable to Franchisor.

4. Financing of Trade Fixtures by Franchisor and Security Interest. Any security interest or Landlord's lien in Tenant's trade fixtures, 'trade dress', equipment and other personal property in the Premises is hereby subordinated to any security interest and pledge granted to Franchisor in such items. The parties acknowledge that there may be certain personal property in the Premises which are not owned by Tenant, which property shall not be subject to any lien of Landlord. Upon request, Landlord shall grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

5. Third Party Beneficiary. For so long as Franchisor holds a collateral assignment of the Lease, Franchisor is a third party beneficiary of the Lease, including, without limitation, this Rider, and as a result thereof, shall have all rights (but not the obligation) to enforce the same.

6. Franchisor Right to Enter. Landlord acknowledges that, under the Franchise Agreement, Franchisor or its appointee has the right to assume the management and operation of the Tenant's business, on Tenant's behalf, under certain circumstances (to-wit: Tenant's abandonment, Tenant's failure to timely cure its default of the Franchise Agreement, and while Franchisor evaluates its right to purchase the store). Landlord agrees that Franchisor or its appointee may enter upon the Premises for purposes of assuming the management and operation of Tenant's store as provided in the Franchise Agreement and, if it chooses to do so, it will do so in the name of the Tenant and without assuming any direct liability under the Lease unless Franchisor exercises such rights to assume the Lease as set forth in Section 1 of this Rider. Further, upon the expiration or earlier termination of this Lease or the Franchise Agreement, Franchisor or its designee may enter upon the Premises for the purpose of removing all signs and other material bearing the everbowl name or trademarks, service marks or other commercial symbols of Franchisor.

7. Amendments. Tenant agrees that the Lease may not be terminated, modified or amended without Franchisor's prior written consent, nor shall Landlord accept surrender of the Premises without Franchisor's prior written consent. Tenant agrees to promptly provide Franchisor with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments.

8. Counterparts. This Rider may be executed in one or more counterparts, each of which shall cumulatively constitute an original. PDF/Faxed signatures of this Rider shall constitute originals of the same.

*SIGNATURE PAGE FOLLOWS*

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the Lease.

**LANDLORD:** \_\_\_\_\_

**TENANT:** \_\_\_\_\_

By:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name:

\_\_\_\_\_  
\_\_\_\_\_

Title:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name:

\_\_\_\_\_  
\_\_\_\_\_

Title:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ATTACHMENT C TO AGREEMENT**

**DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR EVERBOWL FRANCHISE WILL BE LOCATED, IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON OR WISCONSIN.**

**REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT**

The purpose of this Statement is to demonstrate to Everbowl Franchise, LLC (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the multi-unit development and/or franchise rights (“Franchisee”), (a) fully understands that the purchase of a everbowl Store franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD, including the Franchise Agreement and Multi-Unit Development Agreement, at least 14 calendar days before I executed the Franchise Agreement and/or the Multi-Unit Development Agreement, as applicable. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:

PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.

INITIAL:

Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success)?

Yes  No (Initial Here: \_\_\_\_)

If you selected "Yes," please describe the information you received on the lines below:

\_\_\_\_\_.

**Prohibited Parties Clause.** I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;
2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any anti-terrorism law.

[Signature page follows]

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**

**(Note: use these blocks if you are an individual or a partnership but the partnership is not a separate legal entity)**

\_\_\_\_\_  
**Signature**

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

By: \_\_\_\_\_

**Signature**

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT C**  
**MULTI-UNIT DEVELOPMENT AGREEMENT**

**EVERBOWL® MULTI-UNIT DEVELOPMENT AGREEMENT - DATA SHEET**

1. **Effective Date:** \_\_\_\_\_

2. **Multi-Unit Developer:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Attention: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: \_\_\_\_\_

State of Formation: \_\_\_\_\_ Date of Formation: \_\_\_\_\_

3. **Development Area** (Section 1.1): \_\_\_\_\_

4. **Development Schedule** (Section 1.1.1):

<b>Development Period</b>	<b>New Stores Opened During Development Period</b>	<b>Cumulative Stores Open at End of Development Period</b>
Effective Date to _____		
_____ to _____		
_____ to _____		3

5. **Development Fee** (Section 2.1): \$ \_\_\_\_\_

We will apply the Development Fee, in \$37,500 increments, to the initial franchise fee that is required to be paid under the Franchise Agreement that you may execute pursuant to the Agreement, subject in the aggregate, to a maximum amount equal to the Development Fee. If you and your affiliates are not in default of any agreement with us or our affiliates, then within 30 days after you complete your development obligations under the Multi-Unit Development Agreement, we will pay you the following amount: \$11,250, if the Development Schedule required you to develop 3 everbowl Stores; \$22,500, if the Development Schedule required you to develop 4 everbowl Stores; and \$46,875 if the Development Schedule required you to develop 5 everbowl Stores.

6. **Ownership of Multi-Unit Developer** (Section 13.5): The following persons are all your direct and indirect owners:

<b>Name</b>	<b>Address</b>	<b>Type of Interest</b>	<b>Percentage Held</b>

7. **Operating Principal:** \_\_\_\_\_

This Data Sheet and the attached Terms and Conditions form and are referred to herein as the “Agreement.” Intending to be bound by the terms of the Agreement, the parties have set forth their signatures below.

**FRANCHISOR:**

**EVERBOWL FRANCHISE, LLC**

a California limited liability company

**MULTI-UNIT DEVELOPER:**

[NAME], a/an [\_\_\_]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**TERMS AND CONDITIONS**  
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A - Guaranty and Assumption of Obligation

# EVERBOWL® MULTI-UNIT DEVELOPMENT AGREEMENT

## TERMS AND CONDITIONS

The following terms and conditions (these “**Terms**”) are an integral part of the Agreement and define the rights and obligations of, and the relationship between, **EVERBOWL FRANCHISE, LLC**, a California limited liability company having its principal place of business at 1300 Specialty Drive, #100, Vista, California 92081 (“**us**”), and the franchisee identified on the attached Data Sheet (“**you**”). References to the Agreement include these Terms and the Data Sheet to which they are attached.

## RECITALS

A. We and our affiliates have developed (and may continue to develop, revise and evolve) and claim ownership of a system for establishing and operating stores that operate under the name and brand “**everbowl**” and offer, among other things, a variety of superfood-based bowls and smoothies with various toppings. In the Agreement, we use “**everbowl Stores**” to refer to everbowl-branded stores that operate as part of our System, and we use “**Store**” to refer to the everbowl Store for which you will acquire franchise rights pursuant to the Agreement. We use “**System**” to refer to the network of authorized everbowl Stores;

B. everbowl Stores are required to operate in accordance with our standards and specifications (the “**System Standards**”), including, without limitation, specified exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

C. everbowl Stores and the products and services they offer are identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “everbowl”, and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as “**Marks**”);

D. We grant to persons and entities we believe meet our criteria the right and license to develop, own and operate an everbowl Store (a “**Franchise**”), and, in some cases, to enter into multiple franchise agreements for everbowl Stores at locations within a development area; and

E. You have requested that we grant you rights to acquire franchises to develop multiple everbowl Stores and, in support of your request, you and, as applicable, your owners have provided us with information regarding your qualifications and financial capacity (the “**Application Materials**”). In reliance on the Application Materials, we are willing to grant your request on the terms and conditions contained in the Agreement.

## SECTION 1. GRANT

1.1 **Grant of Development Rights.** In reliance on the Application Information and the representations and warranties of you and your Controlling Principals (as defined in Section 13.5) hereunder, we hereby grant to you the right (and you hereby accept the obligation), as described herein, to acquire multiple franchises (“**Development Rights**”) to develop everbowl Stores in the Development Area described in the attached Data Sheet. In this regard, the parties further agree that:

1.1.1 the Stores shall be opened as necessary to satisfy the Development Schedule set forth in the attached Data Sheet;

1.1.2 each Store shall be established and operated pursuant to a separate Franchise Agreement between us and you or your approved affiliate (each, a “**Franchise Agreement**”) that shall be executed as provided in Section 3 below; and

1.1.3 each Store shall be located at an approved site in the Development Area.

**1.2 Development Area Protection.** Except as provided in the Agreement, and subject to your and the Controlling Principals' full compliance with the Agreement and any other agreement among you or any of your Affiliates (as defined in Section 4.2.1) and us or any of our affiliates, we shall not establish or authorize any other person or entity, other than you, to establish an everbowl Store within the Development Area during the term of the Agreement.

**1.3 Our Reserved Rights.** Notwithstanding the generality of the foregoing section, we retain all other rights, and therefore we shall have the right (among others) on any terms and conditions we deem advisable, and without granting you any rights therein, to:

1.3.1 establish, and license others to establish, everbowl Stores and otherwise sell proprietary products and logoed merchandise under the Marks at or from any location outside of the Development Area;

1.3.2 establish, and license others to establish, everbowl Stores and otherwise sell proprietary products and logoed merchandise under the Marks at or from any Non-Traditional Site, wherever located. As used herein, a "Non-Traditional Site" includes gas stations or convenience stores; transportation facilities, including airports, train stations, subways and rail and bus stations; military bases and government offices; sports facilities, including stadiums and arenas; amusement parks, zoos and convention centers; car and truck rest stops and travel centers; educational facilities; recreational theme parks; hospitals; business or industrial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; Native American reservations; casinos; or any similar captive market location not reasonably available to you;

1.3.3 develop other businesses or franchise systems or purchase, be purchased by, merge or combine with, businesses that we deem to offer direct competition to the everbowl Stores in the Development Area;. and

1.3.4 sell and distribute, directly and indirectly, proprietary products and logoed merchandise under the Marks using channels of distribution, other than in everbowl Stores, such as the Internet, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales ("alternative distribution channels") anywhere.

**1.4 Not a Franchise Agreement.** The parties hereto acknowledge and agree that the Agreement is not a Franchise Agreement and does not grant to you any right or license to operate an everbowl Store, distribute any goods or services, or any right to use or interest in the Marks.

**1.5 Non-Traditional Site.** You understand and acknowledge that the Agreement does not give you the right to acquire a franchise to develop an everbowl Store at any Non-Traditional Site.

## **SECTION 2. DEVELOPMENT FEE**

**2.1 Development Fee.** In consideration of the Development Rights granted herein, you will pay us, on your execution of the Agreement, the Development Fee identified on the attached Data Sheet. The Development Fee is payable in a lump sum upon execution of the Agreement and is fully earned upon our receipt.

## **SECTION 3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS**

**3.1 Execution of Franchise Agreements.** Concurrently with the execution of the Agreement, you must execute the first Franchise Agreement for the first Store to be developed in satisfaction of your development obligation hereunder and pay the entire initial franchise fee under such Franchise Agreement. You shall exercise the Development Rights granted hereunder only by entering into a separate Franchise Agreement with us for each everbowl Store for which a Development Right is granted. We may, in our reasonable discretion, permit you to exercise such Development Rights through affiliated entities that are either wholly owned subsidiaries of yours or commonly controlled entities with ownership determined by you, provided you first deliver timely notice of such affiliated entities to us for our review prior to signing the applicable Franchise Agreement. All Franchise Agreements to be executed pursuant to the Agreement shall be on our then-current form and shall be executed and delivered to us when you propose, and we approve, a site for the Store. The then-current form of Franchise Agreement may differ from the form we were using at the time you executed the Agreement, except that the initial franchise fee will be as provided above.

**3.2 Compliance with Development Schedule.** Acknowledging that time is of the essence, and subject to the requirements of Section 4, you agree to exercise your Development Rights according to the Development Schedule. You

shall open each Store developed hereunder and shall commence business in accordance with the time periods set forth in the Development Schedule.

**3.3 Failure to Comply with Development Schedule.** Your failure to adhere to the Development Schedule shall constitute a material event of default under the Agreement.

**3.4 Expiration of Development Rights.** The Agreement shall expire upon the earlier of (i) the opening deadline of the last Store as contained in the Development Schedule, or (ii) the opening of the last Store to be developed under the Agreement. Upon expiration of the Agreement, shall have no further rights to the Development Area under the Agreement. Any territories granted pursuant to individual Franchise Agreements for your Stores will be governed by those agreements. You are not granted a right of first refusal to acquire additional Development Rights.

#### **SECTION 4. PREREQUISITES TO OBTAINING FRANCHISES**

4.1 You understand and agree that the Agreement does not confer upon you a right or franchise to operate any everbowl Store or to use our Marks or our System, but is rather intended by the parties to set forth the terms and conditions which, if fully satisfied by you, shall entitle you to obtain the right to develop everbowl Stores within the Development Area.

4.2 Each of the following conditions and approvals must have occurred or be obtained before the grant of the right by us to develop each Store shall become effective. You must meet each of the operational, financial, and legal conditions set forth below (collectively, the “**Conditions**”) before such rights shall become effective:

4.2.1 **Operational:** You must be in compliance with the Development Schedule and each other provision of the Agreement. You and each entity that is controlled by, controlling or under common control with you (collectively, “**your Affiliate**”) must be in material compliance with all other agreements to which we and/or our affiliates are a party (including, without limitation, the Franchise Agreements and any other Multi-Unit Development Agreements). You must be properly conducting the operation of your existing Stores, if any, and must be capable of conducting the operation of the proposed Store (a) in accordance with the provisions of the respective Franchise Agreement, and (b) in accordance with the standards, specifications, and procedures set forth and described in the “**Manuals**” (as such term is defined in the Franchise Agreement), as such Manuals may be amended from time to time, or otherwise in writing.

4.2.2 **Financial:** You and your Affiliates must not then be in default, and for the 12 month period preceding your request for financial approval must not have been in default, of any monetary obligations owed to us or our affiliates under any other agreement to which we and/or our affiliates are a party (including, without limitation, the Franchise Agreements and any other Multi-Unit Development Agreements). You acknowledge and agree that it is vital to our interest that each of our franchisees is financially sound to avoid failure of an everbowl Store and that such failure would adversely affect the reputation and good name of us and our System of franchisees.

4.2.3 **Legal:** You must have submitted to us, in a timely manner and in accordance with all applicable federal and state franchise disclosure laws, all information and documents requested by us prior to and as a basis for the issuance of individual franchises or pursuant to any right granted to you by the Agreement or by any Franchise Agreement, and must have taken such additional actions in connection therewith as may be reasonably requested in writing by us from time to time.

If we determine, in our reasonable discretion, that you and your Controlling Principals have met all the Conditions described above, then we will allow you to enter into a Franchise Agreement to develop such additional Stores pursuant to the Development Schedule.

4.3 You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Store, and for constructing and equipping the Store at such site. You acknowledge that the location, selection, procurement and development of a site for the Store is your responsibility; that in discharging such responsibility you shall consult with real estate and other professionals of your choosing; and that our approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Store operated at that site will be profitable or otherwise successful.

4.4 You shall locate a site for the Store that satisfies the site selection guidelines provided to you by us and shall submit to us in the form specified by us a description of the site, including evidence reasonably satisfactory to us demonstrating that the site satisfies our site selection guidelines, together with such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have 15 days after receipt of this information and materials to accept or decline, in our sole discretion, the proposed site as the location for the Store.

4.5 We may, in our discretion, provide an on-site evaluation of the proposed location for the Store and you agree to pay our expenses, such as food, transportation, lodging and incidental costs for each site evaluation we conduct. No site may be used for the location of the Store unless it is first accepted in writing by us. You acknowledge and agree that our acceptance of a location for the Store is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Store will be profitable. Our acceptance of a location for the Store only signifies that the location meets our then-current minimum criteria for an everbowl Store that we have established solely for our own purposes. We reserve the right to approve deviations from our site selection standards based on the individual factors and components of a particular site, but any such approvals shall be granted in our sole discretion.

## **SECTION 5. TERM**

5.1 **Term.** Unless sooner terminated in accordance with the Agreement, the term of the Agreement and all rights granted by us under the Agreement shall expire on the date on which the final Store to be developed hereunder has opened for business or the last day of the last day by which you are required under the Development Schedule to open Stores, whichever is earlier.

## **SECTION 6. YOUR DUTIES, REPRESENTATION AND WARRANTIES**

You and your Controlling Principals, as applicable, make the following representations, warranties and covenants and accept the following obligations:

6.1 **Representations of Non-Individual.** If you are a corporation, limited liability company, partnership, or other form of non-individual legal entity, you and the Controlling Principals represent, warrant and covenant that:

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

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

6.1.3 The execution of the Agreement and the performance of the transactions contemplated hereby are within your power as provided under your organizational and governing documents and have been duly authorized by you and your owners;

6.1.4 Your governing documents shall not be amended in any way that impacts your ability to comply with your obligations under the Agreement without our prior written consent;

6.1.5 Your owners, as of the Effective Date, are as reflected on the Data Sheet hereto and will not hereafter change unless done so in accordance with the Agreement;

6.1.6 You will maintain sufficient working capital to fulfill your obligations under the Agreement; and

6.1.7 The Controlling Principals and Operating Principal (defined below) shall, jointly and severally, assume and guarantee the performance of all of your obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty contained in Attachment A hereto.

### **6.2 Operating Principal and Controlling Principals.**

6.2.1 The Controlling Principals are those of your owners who we reasonably determine from time to time, either because of the extent of their direct or indirect ownership interests in you or the nature of the authority you grant them, control you or any governing board, your management decisions, or your activities under the Agreement. On execution of the Agreement, you shall designate, subject to our approval, one of your owners holding at least a 10% direct or indirect ownership interest in you to serve as your Operating Principal (the "Operating Principal"). The

Operating Principal shall, during the entire period he/she serves as such, meet and maintain the following qualifications:

- (a) work on a full-time basis and devote substantially all of his or her time and best efforts to the supervision and conduct of the business contemplated by the Agreement;
- (b) meet our reasonable standards and criteria for such individual, as set forth in the Manuals or otherwise in writing by us;

If the Operating Principal or any designee ceases to serve or to be qualified to serve in that capacity, you shall promptly notify us and designate a replacement within 60 days after that event occurs or the determination is made. The replacement the Operating Principal or such designee shall be subject to our approval and all other requirements listed above. You shall provide for interim management of the activities contemplated under the Agreement until such replacement is so designated, such interim management to be conducted in accordance with the Agreement.

6.2.2 You shall comply with all requirements of federal, state and local laws, rules, regulations, and orders.

6.3 You shall comply with all other requirements and perform such other obligations as provided hereunder. You and the Controlling Principals acknowledge and agree that the representations and warranties set forth above are continuing obligations of yours and the Controlling Principals, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under the Agreement. You will fully cooperate with us in any efforts taken by us to verify your compliance with such representations, warranties and covenants.

6.4 You will, at all times, maintain sufficient working capital reserves as necessary and appropriate to comply with your obligations under the Agreement. On our request, you will provide us with evidence of working capital availability. We reserve the right, from time-to-time, to establish certain levels of working capital reserves, and you will comply with such requirements. We may from time-to-time designate the maximum amount of debt that you and your Affiliates may service, and you will ensure that you will comply with such limits. You agree to apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed grants, non-recourse loans, and/or bail-outs for which you qualify and that are made available to small businesses as an economic stimulus.

## SECTION 7. DEFAULT AND TERMINATION

**7.1 Automatic Termination – No Right to Cure.** You shall be deemed to be materially in default under the Agreement and all rights granted herein shall automatically terminate without notice to you, if you, or any of your Controlling Principals become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or a Controlling Principal, or such a petition is filed against and not opposed by you or a Controlling Principal; if you or a Controlling Principal is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you, a Controlling Principal, or your or its business or assets is filed and consented to by you or such Controlling Principal; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 60 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against your premises or equipment is instituted against you and not dismissed within 60 days; or if the real or personal property of the Store or your business shall be sold after levy thereupon by any sheriff, marshal, or constable.

**7.2 Termination on Notice – No Right to Cure.** You shall be deemed to be materially in default and we may, at our option, terminate the Agreement and all rights granted hereunder, without affording you any opportunity to cure the default (except as otherwise provided below), effective immediately upon written notice to you, if:

- 7.2.1 you fail to meet your obligations under the Development Schedule;
- 7.2.2 you fail to execute each Franchise Agreement in accordance with Section 3.1 (or any extension thereof approved by us in writing);
- 7.2.3 you or your owners made any material misrepresentations or omissions in the Application Materials, breach any of your or their representations or warranties set forth in the Agreement, or are convicted of, or shall have

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

7.2.4 a threat or danger to public health or safety results from the construction, maintenance or operation of any Store developed under the Agreement, following 24 hours' notice from us;

7.2.5 you fail to designate a qualified replacement Operating Principal within 60 days after any initial or successor Operating Principal ceases to serve as such, all as required under the Agreement;

7.2.6 you or a Controlling Principal engages in a Transfer without complying with the provisions of Sections 8.2 or 8.3 with respect to such Transfer;

7.2.8 an approved transfer upon death or permanent disability is not affected within the time and in the manner prescribed by Section 8.4;

7.2.9 you or any of the Controlling Principals misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or with the System or our rights therein;

7.2.10 you or any of your Affiliates fail, refuse or neglect promptly to (i) pay when due any monetary obligation owing to us or any of our affiliates or vendors under the Agreement, any Franchise Agreement or any other agreement, and you do not cure such default within five (5) days following notice from us (or such other cure period specified in such other agreement, unless no cure period is stated or such period is less than five (5) days, in which case the five (5) day cure period shall apply), or (ii) pay when due any monetary obligation owing to any other third-party in connection with your business, and do not cure such failure within any applicable cure period granted by such third-party; and

7.2.11 you or any Controlling Principal (or any person or entity affiliated with or controlled by you or any Controlling Principal) is determined by you to be either (i) in default for failure to comply with the requirements of any Franchise Agreement, other Multi-Unit Development Agreement, or other agreement to which we (or an affiliate of ours) is a party (collectively, and as each may be amended from time to time, "**Other Agreements**"), whether or not such default is of the same or different nature and whether or not such default has been cured after notice by us, *or* (ii) in material default for failure to substantially comply with the requirements of any Other Agreement, we may terminate the Agreement by giving written notice of termination stating the nature of such default to you at least 30 days prior to the effective date of such termination.

**7.3 Notice of Termination – 30 Days to Cure.** We may terminate the Agreement, on notice to you, if you fail to comply with any provision of the Agreement, other than those referenced in Section 7.1 and 7.2 of the Agreement, and do not correct such failure within 30 days following our written notice of the failure.

**7.4 Termination Alternative.** Upon your default under Section 7.2 or 7.3, we may elect, in lieu of termination, to reduce or eliminate all or only certain of your rights under the Agreement (including, without limitation, reduce the size of the Development Area, reduce the number of Stores which you may establish under the Development Schedule, or accelerate the Development Schedule); and if we exercise said election, we shall not have waived our right to, in the case of future defaults, exercise all other rights and invoke all other provisions (including, without limitation, our option to terminate the Agreement) that are provided in law and/or set out under the Agreement.

**7.5 Rights Upon Expiration or Termination.** Upon termination or expiration of the Agreement, you shall have no right to establish or operate any everbowl Store for which a Franchise Agreement has not been executed by us at the time of termination. Thereafter, we shall be entitled to establish, and to license others to establish, everbowl Stores in the Development Area (except as may be otherwise provided under any Franchise Agreement that has been executed between us and you or your Affiliates). You acknowledge our right under Section 2.1 of the Agreement to retain all fees paid by you pursuant to the terms hereof.

**7.6 Cross-Defaults.** No default under the Agreement shall constitute a default under any Franchise Agreement between the parties hereto, unless the default is also a default under the terms of such Franchise Agreement.

**7.7 Non-Exclusive Remedies.** No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

**7.8 Continuing Obligations.** All of our and your (and your owners') obligations which expressly or by their nature survive the Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to non-disparagement, non-competition, non-interference, confidentiality, and indemnification.

## **SECTION 8. TRANSFER OF INTEREST**

**8.1 Transfer by Us.** We may, without restriction, assign the Agreement and all of our attendant rights and privileges, or delegate our performance hereunder, to any person, firm, corporation or other entity.

### **8.2 Transfer by You.**

**8.2.1** You understand and acknowledge that the rights and duties set forth in the Agreement are personal to you, and that we have granted rights under the Agreement in reliance on the business skill, financial capacity and personal character of you and, as applicable, your owners. Accordingly, neither you nor any owner, nor any successor or assign of you or any owner, shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in the Agreement or in you (each referred to herein as a "**Transfer**"), in each case without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of the Agreement shall be null and void and shall constitute a material event of default under the Agreement.

**8.2.2 Our Consent to Transfer.** If you or your owners wish to engage in a Transfer, the transferor and the proposed transferee shall apply to us for our consent. We will not unreasonably withhold our consent to a Transfer, but we will be entitled to reasonably condition our consent, including in some or all of the following ways:

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

(b) you and your Affiliates are not in material default of any provision of the Agreement or any Other Agreement at the time of transfer (and you shall have substantially and timely complied with all the terms and conditions of such agreements during the terms thereof);

(c) you, the transferee, transferor, and their respective principals, as applicable, and shall have executed a general release, in a form reasonably satisfactory to us, of any and all prior claims against us and our affiliates, parents, officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, prior claims arising under or related to the Agreement, any Franchise Agreement, and any Other Agreement signed in connection therewith and governed by federal, state or local laws, rules, regulations or orders;

(d) the transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective developer's application for development rights, including, but not limited to, our educational, managerial and business standards, transferee's good moral character, business reputation and credit rating, transferee's aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise), transferee's financial resources and capital for operation of the business, and the geographic proximity of other development areas with respect to which transferee has been granted development rights or of other everbowl Stores operated by transferee, if any;

(e) the transferee shall execute an Multi-Unit Development Agreement having material terms (including, without limitation, terms regarding the fees, development area, and development schedule) substantially similar in all material respects to the Agreement, together with such other ancillary agreements substantially similar to the forms attached hereto (and if the transferee is a corporation or partnership, transferee's shareholders, partners, or other investors, as applicable, shall also execute such agreements as transferee's principals, and guarantee the performance of all such obligations, covenants and agreements);

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

(g) you shall pay us a transfer fee in an amount equal to \$5,000 or (5%) of the purchase price, whichever is greater, plus \$2,500, all to cover our expenses associated with the Transfer, including, for example, for document review and preparation, evaluation of the proposed transferee and training; and

(h) if transferee is a corporation, limited liability company, or partnership, transferee shall provide to us evidence satisfactory to us that the terms of Section 6 have been satisfied and are true and correct on the date of transfer.

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

**8.3 Our Right of First Refusal.** If you wish to transfer any or all of your interest in the Agreement or if a Controlling Principal wishes to transfer a controlling ownership interest in you (in either instance, such transferring party being referred to as the "**Seller**"), then such Seller shall first notify us in writing of each such intent (the "**Offer**"), and shall provide such information and documentation relating to the Offer as we may require. We shall have the right and option, exercisable within 30 days after receipt of such written Offer and copies of all documentation required by us, to send written notice to the Seller that we intend to purchase the Seller's interest on the terms and conditions stipulated in the written Offer, except that (a) we may substitute cash for any non-cash consideration proposed to be paid by the buyer, and (b) we may deduct from the purchase price any monies that are then owed to us or our affiliates under the Agreement or any other agreement. If we elect to purchase the Seller's interest, closing on such purchase must occur within the latter of (i) 30 days from the date of notice to the Seller of our election to purchase, (ii) 30 days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing.

If we reject or otherwise fail to accept the Offer, then Seller shall be free to transfer its interest in you or the Agreement, as applicable, upon the identical terms and conditions offered to us in the Offer ("**Third-Party Offer**"), subject to the requirements set forth in Section 8.2 of the Agreement. The closing of any transaction involving a Third-Party Offer shall be consummated no later than one hundred and eighty (180) days after the date on which the written Offer was first delivered to us. In the event a transaction involving a Third-Party Offer is not closed within the foregoing time, the proposed sale shall again be subject to our right of first refusal as described herein, unless such subsequent right is waived by us in writing. Any material change in the terms of any Third-Party Offer prior to closing shall constitute a new Offer to us and shall be subject to the same right of first refusal restrictions set forth above. Our failure or refusal to exercise the option afforded by this Section 8.3 shall not constitute a waiver of any other provision of the Agreement, including all the requirements of this Section 8 relating to a proposed transfer. Failure of you or a Controlling Principal to comply with the provisions of this Section 8.3 prior to the transfer of any interest in the Agreement or a controlling interest in you shall constitute a material event of default under the Agreement.

We may assign our rights under this Section 8.3 to any other person or entity, subject to Section 8.1 above.

#### **8.4 Death or Disability.**

8.4.1 Upon the death of you (if you are a natural person) or any Controlling Principal who has an interest in the Agreement or you (the "**Deceased**"), the executor, administrator or other personal representative of the Deceased shall transfer the Deceased's interest to either the beneficiary named in the Deceased's will or, if no such beneficiary has been designated, to the deceased's spouse, heirs, or other blood relatives through operation of law; *provided, however*, any such transferee(s) must be approved by us. If we, in our sole and absolute discretion, disapprove of such transferee(s), then such transferee(s) shall transfer the Deceased's interest to a third-party transferee approved by us within 12 months after the Deceased's death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us, which approval may not be unreasonably withheld or delayed. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within 12 months after the death of the Deceased.

8.4.2 Upon the permanent disability of you (if you are a natural person) or any Controlling Principal who has an interest in the Agreement or you, we may, in our reasonable discretion, require such interest to be transferred to a third party approved by us within six (6) months after notice to you (or your authorized representative). “**Permanent disability**” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in the Agreement or in the guaranty made part of the Agreement for at least 90 consecutive days and from which condition recovery within 90 days from the date of determination of disability is unlikely. Permanent disability shall be determined upon examination of the person by a licensed practicing physician approved by us; or if the person refuses to submit to an examination, then such person shall be automatically deemed permanently disabled as of the date of such refusal for this Section 8.4.2. The costs of any examination required by this Section shall be paid by us. For purposes of clarification, you (or your authorized representative) will have the right to select the licensed physician for such examination. We only reserve the right to approve of the physician selected as we will be paying the costs. Our approval of a physician that you (or your authorized representative) select will not be unreasonably withheld, delayed, or conditioned. Our review and approval process of the selected physician will primarily include (i) whether the physician is in fact licensed to practice and is in good standing, and (ii) whether the costs charged by the physician are commensurate with the costs typically charged by other physicians in his/her field.

8.4.3 Upon the death or certification of permanent disability of you or any Controlling Principal, you or a representative of yours must promptly notify us of such death or claim of permanent disability. Any transfer upon death or certification of permanent disability shall be subject to the same terms and conditions as described in this Section 8 for any *inter vivos* transfer. If an interest is not transferred upon death or permanent disability as required in this Section 8.4, then such failure shall constitute a material event of default under the Agreement.

8.5 **No Waiver of Claims.** Our consent to a transfer of any interest in you or in the Agreement as described herein shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand material compliance with any of the terms of the Agreement by the transferee.

8.6 **Transfer Among Owners.** Notwithstanding the foregoing, transfers of direct or indirect ownership interests in you by one owner to another existing owner shall not require our prior written consent or be subject to our option to purchase the interests as long as the transfer, alone or together with any other transfers, does not result in the creation of a new Controlling Principal or causing a Controlling Principal to no longer be a Controlling Principal. You shall promptly notify us of such proposed transfer in writing and shall provide such information relative thereto as we may reasonably request prior to such transfer, together with payment of \$1,000. Such transferee may not be a competitor of ours. Such transferee will be your owner and as such will have to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by us, which form shall be in substantially the same form attached hereto as Attachment C.

## **SECTION 9. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

9.1 **No Fiduciary Relationship.** You understand and agree that you are and will be an independent contractor under the Agreement. Nothing in the Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Your employees are not our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, shall be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or terminate the employment of your employees. You expressly agree, and will never claim otherwise, that our authority under the Agreement to determine that certain of your employees are qualified to perform certain tasks for you does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

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

**9.2 You are Not Authorized.** You understand and agree that nothing in the Agreement authorizes you or any of your owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name and that we shall in no event assume liability for, or be deemed liable under the Agreement as a result of, any such action, or for any act or omission of yours or any of your owners or any claim or judgment arising therefrom. It is understood that you may not, without our prior written approval, have any authority to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in the Agreement. Unless otherwise explicitly authorized by the Agreement, neither party will make any express or implied agreements, warranties, guarantees, or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and multi-unit developer. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under the Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of your business.

### **9.3 Indemnification by You.**

9.3.1 You shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us and our affiliates, successors and assigns, their respective partners and affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them (“**Indemnitees**”) from all “losses and expenses” (as defined in Section 9.6(b) below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

(a) the infringement, alleged infringement, or any other violation or alleged violation by you or your owners of any patent, mark, copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any rights to use the Marks, any copyrights or other proprietary information granted to you under an Franchise Agreement);

(b) the violation, breach or asserted violation or breach by you or any of your owners of any federal, state or local law, regulation, ruling, standard or directive, or any industry standard;

(c) libel, slander or any other form of defamation of us, the System, or any developer or franchisee under the System, by you or by any of your owners;

(d) the violation or breach by you or any of your owners of any warranty, representation, agreement or obligation in the Agreement or in any Franchise Agreement or other agreement between you or any of your Affiliates and us or any of our affiliates, their respective partners, or the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of any of them; and

(e) acts, errors or omissions of you, any of your Affiliates and any of your owners and the officers, directors, shareholders, partners, agents, independent contractors, servants, employees and representatives of each in connection with the performance of the development activities contemplated under the Agreement or the establishment and operation of any Store pursuant to a Franchise Agreement.

**9.4 Notification of Action or Claim.** You agree to give us immediate notice of any such action, suit, proceeding, claim, demand, inquiry or investigation. At your expense and risk, we may elect to control (but under no circumstance are we obligated to undertake), and associate counsel of our own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish your or any guarantor’s obligation to indemnify the Indemnitees and to hold them harmless.

**9.5 We May Settle.** In order to protect persons or property or our reputation or goodwill, or the reputation or goodwill of others, we may, upon written notice to and written consent from you (which consent shall not be unreasonably withheld, delayed, or conditioned), consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation.

## 9.6 Losses and Expenses.

(a) All losses and expenses incurred under this Section 9 shall be chargeable to and paid by you or your owners pursuant to your and their obligations of indemnity under this Section, regardless of any action, activity or defense undertaken by us or the subsequent success or failure of such action, activity or defense.

(b) As used in this Section 9, the phrase “losses and expenses” shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, legal fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

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

**9.8 Survival of Terms.** You, for yourself and your owners, expressly agree that the terms of this Section 9.8 shall survive the termination, expiration or transfer of the Agreement or any interest herein.

## SECTION 10. APPROVALS

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

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

## SECTION 11. NON-WAIVER AND REMEDIES

11.1 **No Waiver.** No statement, questionnaire, or acknowledgment signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default under the Agreement shall constitute our waiver to enforce any such right, option, duty or power against you, or as to a subsequent breach or default by you. Our acceptance of any payments due to us hereunder after the time at which such payments are due shall not be deemed to be a waiver by us of any preceding breach by you of any terms, provisions, covenants or conditions of the Agreement.

11.2 **Rights and Remedies Cumulative.** All rights and remedies of the parties to the Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of the Agreement or any other agreement between you or any of your Affiliates and us or any of our affiliates. The rights and remedies of the parties to the Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Section 7 of the Agreement shall not discharge or release you or any of the Controlling Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under the Agreement. Additionally, the non-prevailing party shall pay all court costs and reasonable attorneys’ fees incurred by the prevailing party in obtaining any remedy available for any violation of the Agreement.

## SECTION 12. NOTICES

12.1 **Notices.** Any and all notices required or permitted under the Agreement shall be in writing and shall be directed to the respective parties at the addresses shown on the attached Data Sheet or these Terms, as applicable, unless and until a different address has been designated by written notice to the other party. Notices shall be deemed to have been delivered on the earlier of the date of actual delivery or one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery.

## SECTION 13. SEVERABILITY AND CONSTRUCTION

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

13.2 **No Rights or Remedies Except to the Parties.** Except as expressly provided to the contrary herein, nothing in the Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you and us, our officers, directors and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section 8) any rights or remedies under or as a result of the Agreement.

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

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

13.5 **Terminology.** The term “**Controlling Principals**” shall include, collectively and individually, (i) all holders of ten percent (10%) or more of the total ownership interest in you or of any entity directly or indirectly controlling you, and (ii) any other person or entity controlling, controlled by or under common control with you. As used in this Section 13.5, the terms “**control**” and “**controlling**” shall mean the power to influence the management decisions of the specified person and shall in any case be deemed to exist where such person holds ten percent (10%) or more of the total ownership interest in you, serves on any board of directors or comparable body of you, or acts as an officer, general partner or manager thereof. If you are operating as a legal entity as contemplated hereunder, the persons holding an interest in your capital stock shall each be listed on the attached Data Sheet. All reference to “**your owners**” shall include your direct and indirect owners. The term “**including**” means including without limitation.

13.6 **Execution in Multiple Counterparts.** The Agreement may be executed in counterparts and each copy so executed shall be deemed an original. Photocopied signatures and those transmitted electronically will have the same full force and effect given originals.

## SECTION 14. ENTIRE AGREEMENT; APPLICABLE LAW; DISPUTE RESOLUTION

14.1 **Entire Agreement.** The Agreement, the documents referred to herein and the attachments hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior related agreements between us and you. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from the Agreement shall be binding on either party unless mutually agreed to by the

parties and executed by their authorized officers or agents in writing. Nothing in the Agreement or in any related agreement or exhibit to the Agreement is intended to disclaim the representations we made in the franchise disclosure document.

**14.2 Arbitration.** Except to the extent we elect to enforce the provisions of the Agreement by judicial process and injunction in our sole discretion, we and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to: (1) the Agreement or any other agreement between you (or any of your Controlling Principals) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of the Agreement or any other agreement between you (or any of your Controlling Principals) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any standard which forms part of the System must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in San Diego, California, or, at our option, the city in which our (or our successor's or assign's) headquarters are then located (currently, Vista, California). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The decision of the arbitration shall be final and binding upon each party and may be enforced by any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Section, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings).

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any controversy, dispute, or claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any controversy, dispute, or claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees) may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, or (iii) brought on your behalf by any association or agency. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreements.

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section.

The provisions of this Article are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreements.

Any provisions of the Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

14.3 **Venue; Governing Law.** Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, the Agreement and the relationships created hereunder will be interpreted under, and any dispute shall be governed by, the laws of the state in which your Multi-Unit Developer business is operated or is to be located, which laws shall prevail in the event of any conflict of law. Subject to the obligation to arbitrate under Section 14.2 above, you and your Controlling Principal agree that all actions arising under the Agreement (or any other agreement between us and our affiliates and you and your affiliates), the Store, and all controversies, disputes, or claims arising from or otherwise as a result of the relationship between you and us must be commenced in the court nearest to San Diego, California, or, at our option, the court nearest to the city in which our (or our successor's or assign's) headquarters are then located (currently, Vista, California) and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction or venue in such courts.

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

14.5 **Waiver of Jury Trial.** Without negating the obligation to arbitrate disputes under Section 14.2 above, we and you irrevocably *waive trial by jury* in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other. Any and all claims and actions arising out of or relating to the Agreement, the relationship of you and us, or your operation of the Store, brought by either party hereto against the other, whether in arbitration or a legal action, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred. We and you agree that any action, proceeding, or counterclaim, whether at law or equity, will be conducted on an individual basis and that a proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees) may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other proceeding, or (iii) or brought on your behalf by any association or agency.

14.6 **Costs and Legal Fees.** If we are required to enforce the Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with the Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

*END OF TERMS*

**Attachment A to the Multi-Unit Development Agreement**  
**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** is given this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, by \_\_\_\_\_.

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement (as amended, modified, restated or supplemented from time to time, the “**Agreement**”) on this date by **EVERBOWL FRANCHISE, LLC (“us”)**, each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that \_\_\_\_\_ (“**Developer**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, the undersigned shall present updated financial information to us as reasonably necessary to demonstrate his or her ability to satisfy the financial obligations of Developer under the Agreement.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the undersigned’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned’s spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

If this guaranty is executed by and on behalf of a business entity, retirement or investment account, or trust, then such business entity, retirement or investment account, or trust acknowledges and agrees that if the Developer (or any of its affiliates) is delinquent in payment of any amounts owed to us (and/or our affiliates) that are guaranteed hereunder, then no dividends or distributions may be made by such business entity, retirement or investment account, or trust to its owners, accountholders or beneficiaries, for so long as such delinquency exists, subject to applicable law.

The provisions contained in the Agreement pertaining to dispute resolution, including Section 14.2 regarding arbitration are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the undersigned and us. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

*[Signature page follows]*

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

GUARANTOR(S)	SPOUSE(S)
<b>#1:</b> _____ Address: _____ _____ Sign: _____	<b>#1:</b> _____ Address: _____ _____ Sign: _____
<b>#2:</b> _____ Address: _____ _____ Sign: _____	<b>#2:</b> _____ Address: _____ _____ Sign: _____
<b>#3:</b> _____ Address: _____ _____ Sign: _____	<b>#3:</b> _____ Address: _____ _____ Sign: _____

**EXHIBIT D**

**LISTS OF FRANCHISEES & THOSE FRANCHISEES WHO HAVE LEFT THE SYSTEM OR  
NOT COMMUNICATED WITH FRANCHISOR**

### Lists of Current Franchisees

Sl. No.	Name of Franchisee	Address	City	State	Zip	Phone Number
1.	BOWLING FOR DOLLARS LLC	11610 Pleasant Ridge Road, #107	Little Rock	AR	72223	501-617-8600
2.	MAAZY LLC	5635 E. River Road, #101	Tucson	AZ	85750	520-975-9114
3.	RRR INC*	5601 California Avenue Suite 600	Bakersfield	CA	93309	661 346-2012
4.	POCKETS SMITTY EB, LLC*	521-C N. Hollywood Way	Burbank	CA	91505	714-316-2816
5.	BONITA NEW BOWL, LLC*	4374 Bonita Road #101	Bonita	CA	91902	619-513-1779
6.	POCKETS SMITTY EB, LLC* <sup>1</sup>	3935 Grand Ave, Ste E	Chino	CA	91710	970-515-2913
7.	ARCOS & PALLISCO INVESTMENTS LLC*	3945 Bedford Canyon Rd, Ste 102	Corona	CA	92883	760-583-4646
8.	JOSH F, LLC	872 Eastlake Pkwy, #410	Chula Vista	CA	91914	619-230-5581
9.	WFS EVERGROUP, LLC**	7670 El Camino Real	Carlsbad	CA	92009	760-351-6523
10.	WFS EVERGROUP, LLC**	114 Encinitas Blvd	Encinitas	CA	92024	760-587-5569
11.	WFS EVERGROUP, LLC	1875-B S. Centre City Parkway	Escondido	CA	92025	760-912-6072
12.	WFS EVERGROUP, LLC <sup>2</sup>	30024 Haun Road	Menifee	CA	92584	760-695-2739
13.	ARCOS & PALLISCO INVESTMENTS LLC*	28130 Clinton Keith Rd Suite 300	Murrieta	CA	92563	760-504-2594
14.	WFS EVERGROUP, LLC**	2535 Vista Way	Oceanside	CA	92054	760-442-0675
15.	WFS EVERGROUP, LLC**	13538 Poway Road	Poway	CA	92064	858-405-1066
16.	WFS EVERGROUP, LLC**	30461 Av. De Las Flores, Suite E	Rancho Santa Margarita	CA	92688	949-332-0467
17.	WFS EVERGROUP, LLC**	13215-5 Black Mountain Road	San Diego	CA	92129	858-733-2159
18.	WFS EVERGROUP, LLC**	9844 Hibert Street	San Diego	CA	92131	858-405-0046
19.	SORENSEN VENTURES, INC.	5624 Mission Center Road, Unit C	San Diego	CA	92108	619-243-6139
20.	WFS EVERGROUP, LLC**	12750 Carmel Country Plaza, #A112	San Diego	CA	92130	858-717-1563
21.	WFS EVERGROUP, LLC**	5120 College Ave, Suite 124	San Diego	CA	92115	619-762-9057
22.	JOSH F, LLC	15721 Bernardo Heights Pkwy	San Diego	CA	92128	619-230-5581
23.	WFS EVERGROUP, LLC**	1646 San Elijo Rd, South, Unit 107	San Marcos	CA	92078	760-917-6204

<sup>1</sup> This everbowl Store closed in 2024

<sup>2</sup> This everbowl Store closed in 2024

Sl. No.	Name of Franchisee	Address	City	State	Zip	Phone Number
24.	WCFS BOWL 2 LLC**	9862 Mission Gorge Road	Santee	CA	92071	619-484-8587
25.	WFS EVERGROUP, LLC**	32483 Temecula Pkwy., Suite E-111	Temecula	CA	92592	760-687-3151
26.	WFS EVERGROUP, LLC**	39848 Winchester Road, Suite B	Temecula	CA	92591	760-880-4031
27.	WFS EVERGROUP, LLC**	32395 Clinton Keith Road	Wildomar	CA	92595	760-812-3287
28.	MILE HIGH SUPERFOODS BRAVO LLC	7220 W. 56 <sup>th</sup> Ave.	Arvada	CO	80111	720-636-0205
29.	MILE HIGH SUPERFOODS LLC	4950 South Yosemite Suite F1	Greenwood Village	CO	80111	720-636-0205
30.	MILE HIGH SUPERFOODS CHARLIE LLC	8181 Arapahoe Rd.	Greenwood Village	CO	80112	650-213-2218
31.	SANUS VICTA	12101 University Blvd., Suite 207	Orlando	FL	32817	407-440-3855
32.	NEXT LEVEL SUPERFOODS GROUP LLC	515 Peachtree PKWY 606	Cummings	GA	30041	309-453-3301
33.	EB IOWA, LLC	1100 Blairs Ferry Road Suite 113	Cedar Rapids	IA	52402	319-200-5376
34.	EB IOWA, LLC	312 South Madison St.	Iowa City	IA	52240	319-521-0101
35.	EB IOWA, LLC	9250 University Avenue, Unit 109	West Des Moines	IA	50266	319-521-0101
36.	FRESH PERSPECTIVE LLC	518 E Kirkwood Ave	Bloomington	IN	47408	317-306-9328
37.	GP6 LLC	5724 N Green St, Unit 130	Brownsburg	IN		317-503-8593
38.	IMPACT QSR RETAIL, LLC*	14165 Cabela Parkway, Suite 111	Noblesville	IN	46060	317-219-7185
39.	EB PURDUE, LLC	302 Vine Street	West Lafayette	IN	47906	765-340-2900
40.	CITY OF TREES LLC	14615 W 11th Street	Olathe	KS	66062	816-679-9189
41.	2 DOODS, LLC	8211 Village Plaza Court Bldg. 4 Suite 1C	Baton Rouge	LA	70810	225-256-7059
42.	EVERSIS RR LLC	116 Rue Promenade Suite	Lafayette	LA	70809	318-537-3829
43.	OLSEAG LLC	323 W. Main St.	Brighton	MI	48116	810-691-7602
44.	EVER HUNTLEIGH, LLC*	11473 Olive Blvd.	Creve Coeur	MO	63141	314-323-4550
45.	EVER HUNTLEIGH, LLC*	1516 S Lindbergh Blvd	Ladue	MO	63131	314-756-2727
46.	BKL VENTURE LLC	9832 Gilead Road, Unit D-105	Huntersville	NC	28078	843-861-0572
47.	LUB LLC	6325-17 Falls of Neuse Road	Raleigh	NC	27615	919-999-6975
48.	EBLV1, LLC	7175 W Lake Mead Blvd., Suite 140	Las Vegas	NV	89128	760-330-9001
49.	LEGACY MARKETPLACE LLC*	1610 Robb Drive	Reno	NV	89523	775-420-5026

Sl. No.	Name of Franchisee	Address	City	State	Zip	Phone Number
50.	LEGACY MARKETPLACE LLC*	435 Sparks Boulevard, Suite 101	Sparks	NV	89434	775- 287-7589
51.	JOSHUA SMITH	1303 W Lane Avenue	Columbus	OH	43221	614-634-6957
52.	D&S HOSPITALITY LLC <sup>1</sup>	2074 Walker Lake Road	Mansfield	OH	44906	419-512-3888
53.	JOSHUA SMITH	15 N State Street	Westerville	OH	43081	614-634-6957
54.	BEGIN 2 LIVE INC.	11974 SW 72nd Ave, Suite 6	Tigard	OR	97223	971-344-5076
55.	NEXT LEVEL SUPERFOODS GROUP LLC	6005 Wade Hampton Blvd., Suite C	Taylors	SC	29687	864-469-6065
56.	WEALTHWEAPON INC.*	343 Technology Center Way	Rock Hill	SC	29730	619-606-0764
57.	BOWLING FOR DOLLARS LLC*	7407 Igou Gap Road Suite 113	Chattanooga	TN	37421	423-654-4463
58.	STEP OUT STEP IN LLC	2560 Madison Street	Clarksville	TN	37043	931-551-6967
59.	FINESTREET LLC	300 Indian Lake Blvd., Suite D260	Hendersonville	TN	37075	615-566-9295
60.	WEALTHWEAPON INC.*	4481 Kingston Pike	Knoxville	TN	37919	865-345-2695
61.	WEALTHWEAPON INC.*	10909 Parkside Drive	Knoxville	TN	37934	865-390-2695
62.	M & N LEGACY GROUP LLC	975 Main Street	Nashville	TN	37206	317-339-8699
63.	EVERTX Inc	200 Crescent Court, Suite 60	Dallas	TX	75201	972-925-9025
64.	EB DALLAS, LLC	4242 Oak Lawn Avenue	Dallas	TX	75219	972-925-9025
65.	EB DALLAS, LLC	2794 CROSS TIMBERS ROAD, SUITE 117	Flower Mound	TX	75028	214-513-9989
66.	ACP EB 1 LLC	3009 South Custer Road Suite 150	McKinney	TX	75070	214-842-8082
67.	EB DALLAS TWO LLC	2225 W Southlake Blvd, #423	Southlake	TX		319-521-0101
68.	EVERELLIS SUPERFOODS, LLC*	701 S Main	Logan	UT	84321	208-681-4010
69.	WCFS BOWL OF PG LLC**	855 West State St., #102	Pleasant Grove	UT	84062	385-352-9166
70.	EB SPANISH FORK LLC	1291 N Canyon Creek Parkway	Spanish Fork	UT	84660	385-384-4757
71.	JAX AND COOP LLC	1244 Greenbrier Pkwy, #570	Chesapeake	VA	23320	201-953-2318
72.	NAHGRABHA HOLDINGS LLC	4655 Monticello Ave, Suite 108	Williamsburg	VA	23188	703-472-5787

\* These franchisees have executed an area development agreement with us.

\*\* These everbowl Stores were reacquired by us in 2024.

**List of Franchisees Who Have Signed Franchise Agreements But Outlets Not Yet Opened**

Sl. No.	Name of Franchisee	Address	City	State	Zip	Phone Number
1.	MAAZY, LLC	TBD	TBD	AZ	TBD	520-505-4083
2.	MAAZY, LLC	TBD	TBD	AZ	TBD	520-505-4083
3.	Eric Capaci	TBD	Hot Springs	AR	TBD	501-276-9265
4.	GOOD THOUGHTS, LLC	14874 Golden Sunset Ct, Poway	San Diego	CA	92064	951 805-4364
5.	MILE HIGH SUPERFOODS ECHO, LLC	2656 West 32 <sup>nd</sup> Ave	Denver	CO	80211	723-661-0090
6.	ISLAND SUPERFOODS LLC	5265 University Pkwy.	University Park	FL	34201	760-555-1212
7.	JASON NEWBY LLC*	11840 Bruce B. Downs Blvd.	Tampa	FL	33612	208-871-8724
8.	EAST BOCA BOWL LLC	TBD	Ft. Lauderdale	FL	TBD	954-536-6055
9.	DELRAY BEACH BOWL LLC	TBD	Delray Beach	FL	TBD	954-536-6055
10.	AUA Management LLC	TBD	Valdosta	GA	TBD	910-546-2122
11.	EB IOWA LLC	TBD	Ankeny	IA	TBD	319-521-0101
12.	EB IOWA LLC	6900 Middle Rd.	Bettendorf	IA	52722	319-521-0101
13.	EB IOWA LLC	TBD	Coralville	IA	TBD	319-521-0101
14.	EVERELLIS SUPERFOODS, LLC	3582 S 25th E	Idaho Falls	ID	83404	208-681-4010
15.	TMH INVESTMENTS, LLC*	4752 N. Linder Road Suite 100	Meridian	ID	83646	208-716-5830
16.	TMH INVESTMENTS, LLC	4752 North Linder Rd.	Meridian	ID	83646	208-716-5830
17.	TMH INVESTMENTS, LLC	101 East Riverside Dr.	Eagle	ID	83616	208-716-5830
18.	KENIGAN LLC	1615 W Uni Ave, Ste 123	Muncie	IN	47303	217-549-4693
19.	EB GEIST, LLC	11630 Olio Rd.	Fishers	IN	46037	225-256-7059
20.	CITY OF TREES, LLC	2724 W. 53rd St.	Fairway	KS	66205	816-679-9189
21.	EB UPTOWN, LLC	1134 Webster St.	New Orleans	LA	70118	504-453-5476
22.	OSLEAG LLC	TBD	Ann Arbor	MI	TBD	810-691-7602
23.	JOSHUA SMITH	TBD	Lansing	MI	TBD	614-634-6957
24.	EVER TOWN AND COUNTRY LLC	L1032 Town and Country Crossing Drive	Town and Country	MO	TBD	314-323-4550
25.	LUB LLC	TBD	Raleigh	NC	TBD	919-519-2457
26.	NAIJA ROOTZ LLC	450 South Avenue	Garwood	NJ	07027	908-787-6251
27.	WCFS Bowl 8, LLC	TBD	Las Vegas	NV	89104	(801) 419-7736
28.	Better Blended LLC	5 Atterbury Blvd	Hudson	OH	44236	330-612-0328
29.	D&S HOSPITALITY	TBD	Medina	OH	TBD	419-512-3888
30.	D&S HOSPITALITY	TBD	Brunswick	OH	TBD	419-512-3888
31.	STEP OUT STEP IN, LLC	TBD	Murfreesboro	TN	37130	931-551-6967
32.	EB AUSTIN, LLC	5207 Brodie Ln.	Austin	TX	78745	319-521-0101
33.	EB DALLAS TWO LLC	7000 Independence Parkway	North Plano	TX	75025	319-521-0101
34.	ACP EB 2 LLC	5809 Preston Rd. Suite 584	Plano	TX	75093	214-842-8082

<b>Sl. No.</b>	<b>Name of Franchisee</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone Number</b>
35.	ACP EB 3 LLC	1301 W. Campbell Rd. #1391	Richardson	TX	75080	214-842-8082
36.	ACP EB 3 LLC	110 W Sandy Lake	Coppell	TX	97019	214-675-4875
37.	WCFS Bowl 18, LLC	TBD	Highland	UT	84003	(801) 419-7736
38.	WCFS Bowl of Provo, LLC	TBD	Provo	UT	84604	(801) 419-7736
39.	WCFS Bowl 13, LLC	TBD	Sarasota	UT	84045	(801) 419-7736

\* These franchisees have executed an area development agreement with us.

**List of Franchisees Who Have Ceased Operations in FY 2023**

<b>Sl. No.</b>	<b>Name of Franchisee</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone Number</b>	<b>Reason</b>
1.	EVERJOEL VENTURES, LLC	Tempe	AZ	85281	480-241-0043	Reacquisitions by us
2.	BENJAMIN BURKHALTER	San Diego	CA	92128	760-840-6126	Transfer
3.	WCFS BOWL OF PHR, LLC	San Diego	CA	92130	858-434-1575	Reacquisitions by us
4.	WFS EVERGROUP, LLC	San Marcos	CA	92078	760-718-2830	Reacquisitions by us
5.	EVERWALZ1, LLC	Venice	CA	90291	917-501-4455	Ceased operations
6.	WCFS BOWL OF BEAVERTON LLC	Beaverton	OR	97005	971-247-9433	Ceased operations
7.	EB FOOD TRUCK HOUSTON LLC	Katy	TX	77450	832-612-4331	Ceased operations
8.	WCFS BOWL OF FARMINGTON LLC	Farmington	UT	84025	435-612-6200	Reacquisitions by us
9.	WCFS BOWL 1 LLC	St. George	UT	84790	435-256-8073	Reacquisitions by us

**List of Franchisees Whose Franchise Agreements were terminated in FY 2023 before they commenced operations**

<b>Sl. No.</b>	<b>Name of Franchisee</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone Number</b>
1.	WCFS Bowl 4, LLC	TBD	Chandler	AZ	85226	(801) 419-7736
2.	WCFS Bowl 11, LLC	TBD	Tucson	AZ	85756	(801) 419-7736
3.	A&G SUPEROODS LLC	2860 N Fowler Avenue	Fresno	CA	93727	559-917-4117
4.	EVERJOEL VENTURES, LLC	822 South Robertson Blvd.	Los Angeles	CA	90035	760-458-0946
5.	JVC COLLABS LLC*	696 Loblolly Bay Drive	Santa Rosa Beach	FL	32459	732-644-5162
6.	JVC COLLABS, LLC	TBD	Naples	FL	TBD	732-644-5162
7.	R&B ACAI LLC*	145 Jefferson Ave. Apt 422	Miami Beach	FL	33139	724-255-2366

\* These franchisees have executed an area development agreement with us.

**List Of Franchisees Who Have Not Communicated With Us In The Last 10 Weeks Prior To The Issuance Of This Disclosure Document**

<b>Sl. No.</b>	<b>Name of Franchisee</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone Number</b>
1.	POCKETS SMITTY EB, LLC <sup>3</sup>	3935 Grand Ave, Ste E	Chino	CA	91710	970-515-2913
2.	WFS EVERGROUP, LLC <sup>4</sup>	30024 Haun Road	Menifee	CA	92584	760-695-2739
3.	WFS EVERGROUP, LLC**	7670 El Camino Real	Carlsbad	CA	92009	760-351-6523
4.	WFS EVERGROUP, LLC**	114 Encinitas Blvd	Encinitas	CA	92024	760-587-5569
5.	WFS EVERGROUP, LLC**	2535 Vista Way	Oceanside	CA	92054	760-442-0675
6.	WFS EVERGROUP, LLC**	13538 Poway Road	Poway	CA	92064	858-405-1066
7.	WFS EVERGROUP, LLC**	30461 Av. De Las Flores, Suite E	Rancho Santa Margarita	CA	92688	949-332-0467
8.	WFS EVERGROUP, LLC**	13215-5 Black Mountain Road	San Diego	CA	92129	858-733-2159
9.	WFS EVERGROUP, LLC**	9844 Hibert Street	San Diego	CA	92131	858-405-0046
10.	WFS EVERGROUP, LLC**	12750 Carmel Country Plaza, #A112	San Diego	CA	92130	858-717-1563
11.	WFS EVERGROUP, LLC**	5120 College Ave, Suite 124	San Diego	CA	92115	619-762-9057
12.	WFS EVERGROUP, LLC**	1646 San Elijo Rd, South, Unit 107	San Marcos	CA	92078	760-917-6204
13.	WCFS BOWL 2 LLC**	9862 Mission Gorge Road	Santee	CA	92071	619-484-8587
14.	WFS EVERGROUP, LLC**	32483 Temecula Pkwy., Suite E-111	Temecula	CA	92592	760-687-3151

<sup>3</sup> This franchisee owns the Burbank, CA everbowl Store

<sup>4</sup> This everbowl Store closed in 2024

15.	WFS EVERGROUP, LLC**	39848 Winchester Road, Suite B	Temecula	CA	92591	760-880- 4031
16.	WFS EVERGROUP, LLC**	32395 Clinton Keith Road	Wildomar	CA	92595	760-812- 3287
17.	WCFS BOWL OF PG LLC**	855 West State St., #102	Pleasant Grove	UT	84062	385-352- 9166

\* These franchisees have executed an area development agreement with us.

\*\* These everbowl Stores were reacquired by us in 2024.

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

**EXHIBIT E**  
**FINANCIAL STATEMENTS**

**UNAUDITED FINANCIAL STATEMENTS**

## everbowl Franchise, LLC

Statements of Operations and Changes in Member's (Deficit) Equity (Unaudited)  
January 1, 2024 - March 31, 2024

	<b><u>Q1 2024</u></b>
<b>Revenues, Net</b>	
Franchise fees and royalties	\$ 711,457
Brand development fees	64,163
Other revenue	<u>36,450</u>
Total revenues, net	<u>\$ 812,070</u>
<b>Operating Expenses</b>	
Cost of sales	215,133
Payroll and related taxes	251,923
Advertising and promotion	146,718
General and administrative	<u>167,431</u>
Total operating expenses	<u>\$ 781,205</u>
(Loss) income from operations	<u><u>\$ 30,865</u></u>
<b>Member's Equity, Beginning</b>	\$ (46,964)
Distributions	\$ (666,336)
<b>Member's (Deficit) Equity, Ending</b>	\$ (682,435)

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

**everbowl Franchise, LLC**

Balance Sheet (Unaudited)

January 1, 2024 - March 31, 2024

<b>Assets</b>	<b>Q1 2024</b>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 343,458
Accounts receivable	10,000
Inventory	69,205
Prepaid expenses and other current assets	220,447
Total current assets	643,110
<b>Property And Equipment</b>	19,471
<b>Prepaid Expenses And Other - Long Term</b>	174,274
Total assets	836,855
<b>Liabilities and Member's (Deficit) Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	104,567
Deferred revenue, current portion	308,105
Total current liabilities	412,671
<b>Deferred Revenue, Net of Current Portion</b>	1,106,619
Total liabilities	1,519,290
<b>Member's (Deficit) Equity</b>	
Member's (deficit) equity	(682,435)
Total liabilities and member's (deficit) equity	836,855

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

**everbowl Franchise, LLC**

Statements of Cash Flows (Unaudited)

January 1, 2024 - March 31, 2024

31-Mar-24

**Cash Flows From Operating Activities**

Net (loss) income	\$	30,865
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable		81,651
Inventory		-
Prepaid expenses and other		(168,198)
Accounts payable		29,255
Deferred revenue		(92,918)
Net cash provided by operating activities		(119,344)

**Cash Flows From Investing Activities**

Changes in Property, Plant, and Equipment		-
Net cash used in investing activities		-

**Cash Flows From Financing Activities**

Distributions		(666,336)
Net cash used in financing activities		(666,336)
Net (decrease) increase in cash		(785,680)
<b>Cash, Beginning</b>		1,129,138
<b>Cash, End</b>		343,458

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

**AUDITED FINANCIAL STATEMENTS**

# **everbowl Franchise, LLC**

Financial Statements

December 31, 2023, 2022 and 2021

# **everbowl Franchise, LLC**

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December 31, 2023, 2022 and 2021

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## Independent Auditors' Report

To the Member of  
everbowl Franchise, LLC

### Opinion

We have audited the financial statements of everbowl Franchise, LLC (the Company), which comprise the balance sheets as of December 31, 2023, 2022 and 2021, and the related statements of operations and changes in member's (deficit) equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 2022 and 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

In performing an audit in accordance with GAAS, we:

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

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

*Baker Tilly US, LLP*

Los Angeles, California  
June 11, 2024

**everbowl Franchise, LLC**

Balance Sheets

December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,129,138	\$ 755,878	\$ 549,772
Accounts receivable	153,905	245,556	649,578
Inventory	69,205	5,004	5,004
Due from related party	2,954	500,000	-
Prepaid expenses and other current assets	<u>52,249</u>	<u>21,521</u>	<u>67,956</u>
Total current assets	<u>1,407,451</u>	<u>1,527,959</u>	<u>1,272,310</u>
Property and Equipment, Net	5,997	-	-
Prepaid Expenses and Other Current Assets, Long-Term	<u>142,538</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,555,986</u>	<u>\$ 1,527,959</u>	<u>\$ 1,272,310</u>
<b>Liabilities and Member's (Deficit) Equity</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 133,822	\$ 192,838	\$ 94,893
Deferred revenue, current portion	213,308	18,720	16,920
Due to related party	<u>47,052</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>394,182</u>	<u>211,558</u>	<u>111,813</u>
Deferred Revenue, Net of Current Portion	<u>1,208,768</u>	<u>639,444</u>	<u>384,478</u>
Total liabilities	1,602,950	851,002	496,291
Member's (Deficit) Equity	<u>(46,964)</u>	<u>676,957</u>	<u>776,019</u>
Total liabilities and member's (deficit) equity	<u>\$ 1,555,986</u>	<u>\$ 1,527,959</u>	<u>\$ 1,272,310</u>

See notes to financial statements

**everbowl Franchise, LLC**

Statements of Operations and Changes in Member's (Deficit) Equity  
For the Years Ended December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Net Revenues</b>			
Franchise fees and royalties	\$ 1,866,425	\$ 1,388,072	\$ 3,820,372
Brand development fees	218,192	126,862	79,507
Other revenue	45,045	25,345	-
	<u>2,129,662</u>	<u>1,540,279</u>	<u>3,899,879</u>
<b>Operating Expenses</b>			
Cost of sales	246,129	78,511	125,805
Payroll and related taxes	782,803	477,620	201,136
Advertising and promotion	506,440	558,928	283,769
General and administrative	652,654	448,913	276,624
	<u>2,188,026</u>	<u>1,563,972</u>	<u>887,334</u>
(Loss) income from operations	(58,364)	(23,693)	3,012,545
<b>Income Tax Expense</b>	<u>(800)</u>	<u>(800)</u>	<u>(800)</u>
Net (loss) income	(59,164)	(24,493)	3,011,745
<b>Member's Equity, Beginning</b>	676,957	776,019	62,957
Adoption of ASC 606	-	-	(13,650)
Noncash distributions	(500,000)	-	-
Cash distributions	(164,757)	(74,569)	(2,285,033)
<b>Member's (Deficit) Equity, Ending</b>	<u>\$ (46,964)</u>	<u>\$ 676,957</u>	<u>\$ 776,019</u>

See notes to financial statements

**everbowl Franchise, LLC**

## Statements of Cash Flows

For the Years Ended December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>			
Net (loss) income	\$ (59,164)	\$ (24,493)	\$ 3,011,745
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Changes in operating assets and liabilities:			
Accounts receivable	91,651	404,022	(646,097)
Inventory	(64,201)	-	(5,004)
Prepaid expenses and other current assets	(173,266)	46,435	(67,956)
Accounts payable	(59,016)	97,945	94,893
Accrued expenses	-	-	(1,090)
Deferred revenue	763,912	256,766	387,748
Net cash provided by operating activities	<u>499,916</u>	<u>780,675</u>	<u>2,774,239</u>
<b>Cash Flows From Investing Activities</b>			
Purchase of property and equipment	(5,997)	-	-
Due from related party	(2,954)	(500,000)	(1,048)
Net cash used in investing activities	<u>(8,951)</u>	<u>(500,000)</u>	<u>(1,048)</u>
<b>Cash Flows From Financing Activities</b>			
Advances from related party	47,052	-	-
Cash distributions	(164,757)	(74,569)	(2,285,033)
Net cash used in financing activities	<u>(117,705)</u>	<u>(74,569)</u>	<u>(2,285,033)</u>
Net increase in cash	373,260	206,106	488,158
<b>Cash and Cash Equivalents, Beginning</b>	<u>755,878</u>	<u>549,772</u>	<u>61,614</u>
<b>Cash and Cash Equivalents, End</b>	<u>\$ 1,129,138</u>	<u>\$ 755,878</u>	<u>\$ 549,772</u>
<b>Noncash Investing and Financing Activities</b>			
Noncash distribution	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

# everbowl Franchise, LLC

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Notes to Financial Statements  
December 31, 2023 and 2022

## 1. Business and Summary of Significant Accounting Policies

### Business Activity

everbowl Franchise, LLC (the Company), was formed as a single member LLC in California on September 20, 2018. Formerly named everbowl Management, LLC, the Company changed its name to everbowl Franchise, LLC on October 31, 2019. The Company's single member is everbowl Holdings, LLC, (Holdings or Parent), a Delaware LLC. The Company was formed to operate as the licensor of everbowl franchises to individual franchisees throughout the United States. At December 31, 2023, 2022 and 2021, the Company had 72, 54 and 45 open franchised restaurants, respectively.

The Assignment of Membership Interest Agreement (the Agreement), dated May 25, 2020, specifies, among other things, the term of the limited liability company (continue until the Company terminates under the terms of the Agreement) and the rights and powers of the Member. The Agreement limits the liability of the Member.

### Revenue Recognition

Franchise fee revenue is recognized when the Company has performed the performance obligations to the franchisee, per the Franchise Agreement. The Company executes Franchise Agreements that set the terms of its arrangement with each franchisee. The Franchise Agreements may require the franchisee to pay initial, nonrefundable franchise fees for the use of the everbowl name for a term of ten years with renewal options. The franchise fees are nonrefundable and generally due upon signing of the Franchise Agreement. Franchise fee revenue from the sale of individual franchises is partly recognized over the term of the individual Franchise Agreement and partly upon distinct pre-opening performance obligations being satisfied. Unamortized nonrefundable fees collected in relation to the sale of franchises is recorded as deferred revenue. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration. In the event a franchisee does not comply with their development timeline for opening a location, the franchise rights may be terminated, and franchise fee revenue is recognized for nonrefundable deposits. Initial and renewal fees, net of pass-through fees, included in revenues for the years ended December 31, 2023, 2022 and 2021 were \$537,808, \$565,401 and \$3,230,195, respectively.

The Company has entered into agreements with franchisees granting exclusive rights to develop specific geographic areas. Pursuant to these agreements, the Company receives an upfront area development fee. The Company recognizes revenue from these agreements ratably over the agreement term, as performance obligation is satisfied.

Franchise royalties are recognized weekly. Franchise royalties revenue for the years ended December 31, 2023, 2022 and 2021 amounted to \$1,328,617, \$822,671 and \$590,177, respectively.

Deferred revenue represents billings or collections in advance of the recognition of the revenue of franchisees' payments. The amount deferred as of December 31, 2023, 2022 and 2021 was \$1,422,076, \$658,164 and \$401,398, respectively.

## everbowl Franchise, LLC

Notes to Financial Statements  
December 31, 2023 and 2022

The deferred franchise fee revenues presented on the accompanying balance sheets are comprised of unamortized and unrecognized upfront fees received from franchisees. A summary of changes to the balance during 2023, 2022 and 2021 is as follows.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 658,164	\$ 401,398	\$ -
Adjustment for adoption for ASC 606	-	-	13,650
Revenue recognized that was included in unamortized upfront fees received from franchisees at the beginning of the period	(324,067)	(16,234)	-
Increase for upfront fees associated with contracts that became effective during the period, net of amounts recognized as revenue during the period	<u>1,087,979</u>	<u>273,000</u>	<u>387,748</u>
Balance, end of year	<u>\$ 1,422,076</u>	<u>\$ 658,164</u>	<u>\$ 401,398</u>

### Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash. The Company had no cash equivalents as of December 31, 2023, 2022 and 2021.

### Accounts Receivable

Accounts receivable are stated net of an allowance for doubtful accounts.

Starting on January 1, 2023, upon adoption of Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses*, the Company recognizes an allowance for current expected credit losses (CECL) for trade and other receivables to present the net amount expected to be collected as of the balance sheet date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on our expectation as of the balance sheet date. Receivables are written off when the Company determined that such receivables are deemed uncollectible. The Company pools its receivables based on similar risk characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Company measures those receivables individually. The Company also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

The Company utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Company's historical loss experience. In determining its loss rates, the Company evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: past due receivables, the customer creditworthiness, changes in the terms of receivables, effect of other external forces such as competition, and legal and regulatory requirements on the level of estimated credit losses in the existing receivables. For receivables that are not expected to be collected within the normal business cycle, the Company considers current and forecasted direction of the economic and business environment. As of December 31, 2023, there were no receivables that the Company does not expect to collect within the normal business cycle. As of December 31, 2023, no allowance for doubtful accounts has been recorded as management deemed all receivables were fully collectible.

## everbowl Franchise, LLC

Notes to Financial Statements  
December 31, 2023 and 2022

For the years ended December 31, 2022 and 2021, the Company estimated the allowance based on an analysis of specific customers and franchisees, taking into consideration the age of past due accounts and an assessment of the customer's or franchisee's ability to pay. The Company does not charge interest on past due accounts. Accounts are considered past due or delinquent based on contractual terms and how recently payments have been received. Account balances were written off against the allowance after all means of collection had been exhausted and the potential for recovery was considered remote. As of December 31, 2022 and 2021, management has determined that all receivables are fully collectible and, accordingly, no allowance for doubtful accounts had been made.

### Property and Equipment

The Company calculates depreciation expense on a straight-line method. The depreciation expense for December 31, 2023, 2022, and 2021 was not significant.

### Inventory

Inventories are stated at the lower of cost or net realizable value. The Company's inventory consists of the following:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Printed collateral	\$ -	\$ 5,004	\$ 5,004
Vending machine toys	69,205	-	-
Total	<u>\$ 69,205</u>	<u>\$ 5,004</u>	<u>\$ 5,004</u>

The printed collateral (operations manuals, etc.) is kept in-house in the event any franchises would like to purchase these materials. During the year ended December 31, 2023, the Company purchased vending machine toys that will be sold to franchisees. The Company plans to sell the toys above cost and anticipates sales to begin in July 2024.

### Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of December 31, 2023, 2022, and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Prepaid management fees:			
Paid to the Parent	\$ 185,808	\$ -	\$ -
Other prepaid expenses	8,979	21,521	67,956
Total	<u>\$ 194,787</u>	<u>\$ 21,521</u>	<u>\$ 67,956</u>

### Advertising and Promotional Expenses

Advertising and promotion costs are expensed as incurred. Advertising and promotional expenses for the years ended December 31, 2023, 2022 and 2021 amounted to \$506,440, \$558,928 and \$283,769, respectively. See Note 3 for discussion of the brand development fund.

## everbowl Franchise, LLC

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Notes to Financial Statements  
December 31, 2023 and 2022

### Income Taxes

The Company has elected to be taxed as a disregarded entity. In lieu of corporation income taxes, the sole member everbowl Holdings, LLC is taxed on the Company's taxable income. Accordingly, no provision for income taxes has been reflected in the financial statements for the years ended December 31, 2023, 2022 and 2021 except for the required minimum California state taxes applicable to limited liability companies of \$800.

The Company has no unrecognized tax benefits as of December 31, 2023, 2022 and 2021. The Company's federal and state income tax returns for 2020 and 2021 remain open and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If necessary, the Company recognizes interest and penalties associated with tax matters as part of income tax expense and include accrued interest and penalties with the related tax liability on the balance sheet. No interest and penalties were recognized for the years ended December 31, 2023, 2022 and 2021.

### Use of Estimates

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

### Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods and services to customers. The updated standard replaces most existing revenue recognition guidance in U.S. GAAP and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In June 2020, the FASB issued ASU No. 2020-05, which allowed certain entities that have not yet issued financial statements to defer application of the new recognition guidance by one additional year. The Company elected to defer application of this standard and adopted it on January 1, 2021 using the modified retrospective method.

In January 2021, the Financial Accounting Standards Board (FASB) issued ASU No. 2021-02, *Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient*. The amendments in ASU No. 2021-02 provide a practical expedient related to FASB Accounting Standards Codification (FASB ASC) No. 606, *Revenue from Contracts with Customers*, that permits franchisors that are not public business entities (PBEs) to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the ASU. Additionally, amendments in ASU No. 2021-02 provide an accounting policy election to recognize the pre-opening services as a single performance obligation. The Company elected to use the practical expedient and adopted this ASU during the year ended December 31, 2021. The Company recorded a decrease in member's equity and an increase to deferred revenue of \$13,650 as of January 1, 2021 due to the cumulative impact of Adoption ASC No. 606, with the impact primarily related to deferring a portion of the initial franchise fees over the life of the related Franchise Agreements.

## everbowl Franchise, LLC

Notes to Financial Statements  
December 31, 2023 and 2022

Changes to the opening balances in deferred revenue and member's equity resulting from the adoption of the new guidance were as follows:

	<u>December 31, 2020</u>	<u>Impact of Adoption</u>	<u>January 1, 2021</u>
Deferred revenue	\$ -	\$ 13,650	\$ 13,650
Member's equity	62,957	(13,650)	49,307

On January 1, 2023, the Company adopted ASU 2016-13 *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including trade accounts receivables. The Company adopted ASC 326 using the modified retrospective method for its trade accounts receivables. This adoption did not have a material impact on the financial statements.

### Subsequent Events

The Company has evaluated subsequent events through June 11, 2024, the date that the financial statements were available to be issued.

## 2. Business and Credit Concentrations

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. The concentration of credit risk with respect to accounts receivable is mitigated by the generally short payment terms. In addition, the Company closely monitors the extension of credit to its customers and franchisees while maintaining allowances for potential credit losses.

As of December 31, 2023, 2022 and 2021, approximately 77%, 75% and 76%, of accounts receivable were from 4, 3, and 4 franchisees, respectively.

## 3. Brand Development Fund

During 2021, the Company established a brand development fund (the Fund) for the creation and development of promotional marketing, advertising, public relations and related programs and materials for all everbowl stores. On behalf of the Fund, the Company acts as an agent and collects 1% of gross monthly revenues from participating franchisees, in accordance with the provisions of the franchise agreements. The use of amounts received by the Fund is restricted to promotional, marketing, advertising, and public relations purposes and for everbowl brand promotion. The Company has complete discretion over the usage of the funds. The Fund is accounted for separately from the Company's other funds and is not used to pay any of the Company's general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead that is spent on activities administering the Fund and its programs. Fund revenue for the years ended December 31, 2023, 2022 and 2021 amounted to \$218,192, \$126,862 and \$79,507, respectively. No management or administrative fees were charged to the Fund during the years ended December 31, 2023, 2022 and 2021.

#### **4. Related-Party Transactions**

During the year ended December 31, 2022, the Company transferred \$500,000 to Holdings in the normal course of business with the intention of the entire balance being paid back by the Parent. However, during the year ended December 31, 2023, the Company and the Parent agreed the balance was not to be repaid. As a result, the due from related party balance of \$500,000 was derecognized and recorded as a noncash equity distribution on the accompanying statements of operations and changes in member's (deficit) equity.

During the year ended December 31, 2023, the Company paid for certain expenses on behalf of the Parent. These are expected to be reimbursed by the Parent. Therefore, the Company has recorded a due from related party balance of \$2,954 as of December 31, 2023 on the accompanying balance sheets.

The Company's parent, everbowl Holdings, pays for certain administrative expenses such as rent and management fees and allocates a portion of the shared expenses to the Company. There is no formalized agreement between the Parent and the Company for these expenses. Rent payments made to the Parent for the years ended December 31, 2023, 2022 and 2021 were \$33,000, \$36,709 and \$0, respectively. The Parent charges management fees to the Company in relation to the maintenance of certain area development agreements. During the year ended December 31, 2023, the Company paid a total of \$232,260 in management fees of which \$46,452 was recorded in general and administrative expenses on the accompanying statements of operations and changes in member's (deficit) equity, and \$185,808 was recorded in prepaid expenses and other on the accompanying balance sheet as of December 31, 2023. No management fees were charged by the Parent during the years ended December 31, 2022 and 2021.

**EXHIBIT F**  
**SAMPLE GENERAL RELEASE**

**EVERBOWL FRANCHISE, LLC**

**GRANT OF FRANCHISOR CONSENT AND RELEASE**

EVERBOWL FRANCHISE, LLC (“we,” “us,” or “our”) and the undersigned franchisee, \_\_\_\_\_ (“you” or “your”), currently are parties to that certain [franchise agreement/area development agreement] (the “**Agreement**”) dated \_\_\_\_\_, 20\_\_\_\_. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation] \_\_\_\_\_

\_\_\_\_\_. We have the right under the Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former officers, directors, owners, managers, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Released Parties”) of and from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”), whether at law or in equity, that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Released Parties, including without limitation, any and all Claims in any way (1) arising out of or related to any of the Released Parties’ obligations under the Agreement, or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Released Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

**IF THE FRANCHISE YOU OPERATE UNDER THE AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE RELEASING PARTIES IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:**

**SECTION 1542 ACKNOWLEDGMENT.** IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST ANY OF THE RELEASED PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST ANY OF THE RELEASED PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the franchise you operate under the Agreement is located in Maryland or if any of the Releasing Parties is a resident of Maryland, the following shall apply:

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.

Nothing in this Agreement will amount to release of claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder

*[SIGNATURE PAGE FOLLOWS]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Release on the effective date stated below.

**EVERBOWL FRANCHISE, LLC**

**FRANCHISE OWNER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EFFECTIVE DATE:** \_\_\_\_\_

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT G**  
**TABLE OF CONTENTS TO THE OPERATIONS MANUAL**

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**EXHIBIT H**  
**STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT**  
**AND AGREEMENT RIDERS**

**ADDITIONAL DISCLOSURES FOR THE  
FRANCHISE DISCLOSURE DOCUMENT OF  
EVERBOWL FRANCHISE, LLC**

The following are additional disclosures for the Franchise Disclosure Document of Everbowl Franchise, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

**FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON OR WISCONSIN.**

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.

**CALIFORNIA**

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.

1. 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.

2. 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.

3. OUR WEBSITE, [www.everbowl.com](http://www.everbowl.com), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

4. Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

5. The following is added at the end of Item 3:

Neither we, our parent, predecessor or affiliates nor any person in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a *et seq.*, suspending or expelling such persons from membership in that association or exchange.

6. The following is added at the end of Item 6:

The maximum interest rate in California is 10% annually.

7. The following paragraphs are added at the end of Item 17:

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

The Franchise Agreement and Multi-Unit Development Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and Multi-Unit Development Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 *et seq.*).

Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 *et seq.*), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*), or other United States federal law, the Franchise Agreement and Multi-Unit Development Agreement and the relationships created thereunder will be interpreted under, and any dispute shall be governed by, the laws of the state in which the Store is operated or is to be located, which laws shall prevail in the event of any conflict of law. This provision may not be enforceable in California if the Store is not located in California.

The Franchise Agreement and Multi-Unit Development Agreement require application of the laws of the state in which the Store or business is located or operating in. This provision may not be enforceable under California law.

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

The Franchise Agreement and Multi-Unit Development Agreement require binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator in San Diego, California, or, at our option, in the city in which our headquarters are then located (currently Vista, California). In any arbitration, the prevailing party will be entitled to recover from the other party all damages, costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any

provisions of the Franchise Agreement or Multi-Unit Development Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement and Multi-Unit Development Agreement require you to sign a general release of claims upon renewal or transfer. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

**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.**

## **HAWAII**

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.

**1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

2. The following Risk Factor is added to the “Special Risks to Consider About *This Franchise*” page and to the end of Items 5 & 7:

THE FRANCHISOR HAS A NET WORTH OF \$(46,964) AS OF DECEMBER 31, 2023. As a result, for each franchise sold in Hawaii, the State of Hawaii has required us to defer the receipt of initial franchise fees and other payments to us and our affiliates until we have met all of our pre-opening obligations and you have opened your franchise business.

3. The following paragraph is added to the end of Items 5 & 7:

We will defer collection of the initial franchise fees you owe us under the Franchise Agreement and Multi-Unit Development Agreement until you have commenced doing business under the applicable Agreement. The State of Hawaii imposed this deferral requirement due to Franchisor’s financial condition.

## **ILLINOIS**

1. The following language is added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement and the Multi-Unit Development Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement or Multi-Unit Development Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement or Multi-Unit Development Agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of a Franchise Agreement or Multi-Unit Development Agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

2. 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.

## **MARYLAND**

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.

1. The following language is added to the end of Item 5:

Pursuant to the order of the Maryland Securities Commissioner, we have posted a surety bond in the amount of \$*[insert amount]* from *[insert name of the surety bond provider]*. The terms of the surety bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have begun operating the Store. A copy of that surety bond is on file with the Maryland Securities Commissioner.

2. The following is added to the end of the “Summary” sections of Item 17(c), entitled “Requirements for franchisee to renew or extend” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of the “Summary” section of Item 17(h), entitled “‘Cause’ defined – non-curable defaults”:

The Franchise Agreement and Multi-Unit Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

4. The following sentence is added to the end of the “Summary” sections of Item 17(v), entitled “Choice of forum”:

A franchisee may bring suit in Maryland for claims arising under the Maryland Franchise Registration Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. The following language is added to the end of the chart in Item 17:

The Franchise Agreement and Multi-Unit Development Agreement provide 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.

## **MINNESOTA**

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.

1. Liquidated Damages:

The Item 6 line entitled Liquidated Damages will not be enforced to the extent prohibited by applicable law.

2. Trademarks. The following sentence is added to the end of Item 13:

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). We will protect your rights to use the Marks or indemnify you from from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

3. Renewal, Termination, Transfer and Dispute Resolution. The following is added at the end of the chart in Item 17:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document, Franchise Agreement, or Multi-Unit Development 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.

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes, Section 80C.14, Subd. 3, 4, and 5, which require (except in certain specified cases) that (i) you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement, and (ii) that consent to the transfer of the franchise will not be unreasonably withheld.

Any release required as a condition of transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

You cannot consent to us obtaining injunctive relief. You may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

In compliance with Minnesota Statute 80C.17 Subd. 5, no action may be commenced pursuant to this section more than three years after the cause of action accrues.

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

## **NEW YORK**

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.

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

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS**

**FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.**

**WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE OR MULTI-UNIT DEVELOPER TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to us, our parent, affiliates, the persons identified in Item 2, or an affiliate offering franchises under our 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 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.
- C. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither we, our affiliate, predecessor, officers, or general partners or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10-year period immediately

preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

We apply the initial franchise fee to defray our costs for franchisee screening and training, legal compliance, salary, and general administrative expenses and profits.

5. The following is added to the end of Item 17:

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 New York State and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following is added to Item 17(d):

You may terminate the Franchise Agreement on any ground available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), entitled “Assignment of contract by franchisor”:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement or Multi-Unit Development Agreement.

8. The following is added to Item 17(v) and 17(w):

However, the governing choice of law and choice of forum shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

## **NORTH DAKOTA**

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.

1. The following paragraphs are added to Item 6:

The Item 6 line item entitled Liquidated Damages will not be enforced to the extent prohibited by applicable law.

Sections of the Disclosure Document requiring you to pay all costs and expenses incurred by us in enforcing the agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

2. The following language is added to Item 17(r):

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

3. The following language is added to Item 17(u):

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

4. The following language is added to Item 17(v):

However, subject to your arbitration obligation, and to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The following language is added to Item 17(w):

, except as otherwise required by North Dakota law.

6. The following language is added to the end of Item 17(s) and Item 17(m):

However, any release required as a condition of assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

## **RHODE ISLAND**

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.

1. The following language is added to the end of Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act. To the extent required by applicable law Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

## **VIRGINIA**

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.

1. The following is added to Items 5 and 7 of the FDD:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement. The Commission also requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

2. The following language is added to the end of the “Summary” section of Items 17(e) and 17(h), entitled “Termination by franchisor without cause” and “Cause’ defined – non-curable defaults,” respectively:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Multi-Unit Development 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.

## **WASHINGTON**

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.

1. The following language is added to the end of Items 5 and 7:

Pursuant to the order of the Director of the Department of Financial Institutions, we have posted a surety bond in the amount of \$[*insert amount*] from [*insert name of the surety bond provider*]. The terms of the surety bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have begun operating the Store. A copy of that surety bond is on file with the Director of the Department of Financial Institutions.

2. The Securities Division of the State of Washing Department of Financial Institutions requires the following language be added at the end of Item 17:

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. You are required to sign a general release before renewing this Franchise Agreement. Any general release does not waive any claims under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

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.

The Franchise Disclosure Document does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
FRANCHISE AGREEMENT**

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
FRANCHISE AGREEMENT  
FOR USE IN HAWAII**

**THIS RIDER** (this “**Rider**”) is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“**we**”) and \_\_\_\_\_, having its principal \_\_\_\_\_ a(n) \_\_\_\_\_, business \_\_\_\_\_ address \_\_\_\_\_ at \_\_\_\_\_ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20 \_\_\_\_, (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. In the event of conflict between the terms of the Franchise Agreement and this Rider, this Rider shall govern such inconsistency. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Store is or will be operated in the State of Hawaii, and/or (b) you are domiciled in the State of Hawaii.

2. **ACKNOWLEDGMENT.** 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.

3. **CERTAIN FEES.** The following language is added as Section 4.1 (“Initial Franchise Fee”) to the Franchise Agreement:

Notwithstanding anything to the contrary in this Agreement, we will defer the collection of initial franchise fees you owe us under this Agreement until we fulfill all of our pre-opening obligations to you and your Store is open for business in accordance with the terms of this Agreement.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the activities you conduct under the Franchise Agreement will be conducted in Illinois, and/or (b) you are domiciled in Illinois.

2. **ACKNOWLEDGMENT.** 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.

3. **ENTIRE AGREEMENT.** The following sentence is added to the end of Section 18.2 (“Entire Agreement”) of the Franchise Agreement:

Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

4. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, the Franchise Agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of the Franchise Agreement are subject to Sections 19 and 20 of the Illinois Franchise Disclosure Act.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, having its principal business address at a(n) \_\_\_\_\_, (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) your everbowl Business will be operated in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **ACKNOWLEDGMENT.** 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.

3. **CERTAIN FEES.** The following language is added as Section 4.1 (“Initial Franchise Fee”) to the Franchise Agreement:

Pursuant to the order of the Maryland Securities Commissioner, we have posted a surety bond in the amount of \$[*insert amount*] from [*insert name of the surety bond provider*]. The terms of the surety bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have begun operating the Store. A copy of that surety bond is on file with the Maryland Securities Commissioner.

4. **RELEASES.** The following is added to the end of Sections 2.5 (“Relocation”), 3.1.4 (“Term and Successor Franchises”) and 13.3.3 (“Our Consent to Transfer”) of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

5. **TERMINATION.** The following sentence is added to the end of Section 16.1 of the Franchise Agreement:

This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

6. **VENUE; GOVERNING LAW.** The following sentence is added to the end of Section 18.6 of the Franchise Agreement:

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **LIMITATION OF CLAIMS.** The following language is added to the end of Section 18.7 (“Waiver of Punitive Damages; Waiver of Jury Trial”) of the Franchise Agreement:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

8. **RELEASES.** The Franchise Agreement is further amended to state that “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any 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.”

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, having its principal business address at a(n) \_\_\_\_\_, (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the everbowl Store that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **ACKNOWLEDGMENT.** 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.

3. **NOTIFICATION OF INFRINGEMENT OR CLAIM.** The following sentence is added to the end of Section 8.4 of the Franchise Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

4. **RELEASES.** The following is added to the end of Sections 2.5 (“Relocation”), 3.1.4 (“Term and Successor Franchises”) and 13.3.3 (“Our Consent to Transfer”) of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. **NON-RENEWAL AND TERMINATION.** The following is added to the end of Sections 3.2 (“Refusal to Renew Franchise Agreement”) and 16.5 (“Our Right to Discontinue Services to You”) of the Franchise Agreement:

However, 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 this Agreement and that our consent to the transfer of the franchisee should not be unreasonably withheld.

6. **INJUNCTIVE RELIEF.** The following sentence is added to the end of Sections 17.1 (“On Expiration or Termination of this Agreement”) and 18.5 (“Arbitration”) of the Franchise Agreement:

You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. Also, a court will determine if a bond is required.

7. **LIQUIDATED DAMAGES.** The following sentence is added to the end of Section 17.3 of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provisions to the extent the law allows.

8. **VENUE; GOVERNING LAW.** The following statement is added at the end of Section 18.6 of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

9. **CONSENT TO JURISDICTION.** The following language is added to the end of Section 18.6 (“Venue; Governing Law”) of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

10. **WAIVER OF PUNITIVE DAMAGES; WAIVER OF JURY TRIAL.** The following language is added to the end of Section 18.7 of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

11. **MINNESOTA LAW.** Notwithstanding anything to the contrary contained in the Multi-Unit Development Agreement, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to waive your rights to a jury trial or to waive your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes.

12. **OTHER FEES.** NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
FRANCHISE AGREEMENT  
FOR USE IN NEW YORK**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the everbowl Store Business that you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **ACKNOWLEDGMENT.** 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.

3. **TRANSFER BY US.** The following language is added to the end of Section 13.1 of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **RELEASES.** The following is added to the end of Sections 2.5 (“Relocation”), 3.1.4 (“Term and Successor Franchises”) and 13.3.3 (“Our Consent to Transfer”) of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by you 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

5. **TERMINATION BY YOU.** The following language is added to the end of Section 16.1 (“Termination”) of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

6. **VENUE; GOVERNING LAW.** The following sentence is added to the end of Section 18.6 of the Franchise Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law as amended, and the regulations issued thereunder.

[SIGNATURE PAGE TO FOLLOW]

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, having its principal business address at a(n) \_\_\_\_\_, (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota; or (b) an offer to buy is accepted in the State of North Dakota; or (c) if you are domiciled in the State of North Dakota, your Store is or will be operated in the State of North Dakota.

2. **ACKNOWLEDGMENT.** 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.

3. **NON-COMPETITION.** The following language is added to the end of Section 9.4 of the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

4. **RELEASES.** The following is added to the end of Sections 2.5 (“Relocation”), 3.1.4 (“Term and Successor Franchises”) and 13.3.3 (“Our Consent to Transfer”) of the Franchise Agreement:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

5. **LIQUIDATED DAMAGES.** The following language is added to the end of Sections 17.3 the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

6. **ARBITRATION.** The following language is added to the end of Section 18.5 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

7. **VENUE; GOVERNING LAW.** The first sentence of Section 18.6 of the Franchise Agreement is deleted in its entirety and replaced with the following language:

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the state in which your franchise business is operated or is to be located, without regard to its conflict of laws rules, except that any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. **WAIVER OF PUNITIVE DAMAGES; WAIVER OF JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, Section 18.7 of the Franchise Agreement is deleted.

9. **LIMITATION OF CLAIMS.** The following language is added to the end of Section 18.7 (“Waiver of Punitive Damages; Waiver of Jury Trial”) of the Franchise Agreement:

The statutes of limitations under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
FRANCHISE AGREEMENT  
FOR USE IN RHODE ISLAND**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the everbowl Store that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **ACKNOWLEDGMENT.** 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.

3. **VENUE; GOVERNING LAW.** The following language is added to the end of Section 18.6 of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
FRANCHISE AGREEMENT  
FOR USE IN VIRGINIA**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because the everbowl Store that you will operate under the Franchise Agreement will be located in Virginia.

2. **ACKNOWLEDGMENT.** 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.

3. **CERTAIN FEES.** The following language is added as Section 4.1 (“Initial Franchise Fee”) to the Franchise Agreement:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
FRANCHISE AGREEMENT AND RELATED-AGREEMENTS  
FOR USE IN WASHINGTON**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, having its principal business address at a(n) \_\_\_\_\_, (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer is directed into the State of Washington and is received where it is directed; or (b) you are a resident of the State of Washington; or (c) the everbowl Store that you develop under your Franchise Agreement is or will be located or operated, wholly or partly, in the State of Washington.

2. **ACKNOWLEDGMENT.** 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.

3. **CERTAIN FEES.** The following language is added as Section 4.1 (“Initial Franchise Fee”) to the Franchise Agreement:

Pursuant to the order of the Director of the Department of Financial Institutions, we have posted a surety bond in the amount of \$[*insert amount*] from [*insert name of the surety bond provider*]. The terms of the surety bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have begun operating the Store. A copy of that surety bond is on file with the Director of the Department of Financial Institutions.

4. **CONFIDENTIALITY AND NON-COMPETITION AGREEMENT.** The following language is added to the end of Section 9 of the Franchise Agreement (“Confidentiality and Non-Competition Covenants”):

This Section 9 may not be enforceable under Washington law, specifically Chapter 49.62 RCW.

5. **INDEMNIFICATION BY YOU.** The following language is added to the end of Section 14.1 of the Franchise Agreement (“Indemnification by You”):

Your obligation to indemnify does not extend to an Indemnitee’s acts or omissions amounting to gross negligence, willful misconduct, or fraud.

6. **NO WARRANTY OR GUARANTEE.** Section 18.4 of the Franchise Agreement (“No Warranty or Guarantee”) is deleted in its entirety and replaced with the following:

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

7. **STEP-IN RIGHTS.** The following language is added to the last sentence of the second paragraph of Section 18.16 of the Franchise Agreement (“Step-In Rights”):

; however, your obligation to indemnify us and our representatives shall not extend to our acts or omissions amounting to gross negligence, willful misconduct, or fraud.

8. **WASHINGTON LAW.** The following paragraphs are added to the end of the 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.

The Franchise Disclosure Document does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
MULTI-UNIT DEVELOPMENT AGREEMENT**

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN HAWAII**

**THIS RIDER** (this “**Rider**”) is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“**we**”) and \_\_\_\_\_, a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. In the event of conflict between the terms of the Multi-Unit Development Agreement and this Rider, this Rider shall govern such inconsistency. This Rider is being signed because (a) the Store is or will be operated in the State of Hawaii, and/or (b) you are domiciled in the State of Hawaii.

2. **ACKNOWLEDGMENT.** 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.

3. **DEVELOPMENT FEE.** The following is added at the end of Section 2.1 (“Development Fee”) of the Multi-Unit Development Agreement:

Notwithstanding anything to the contrary in this Agreement, we will defer the collection of the Development Fee. Instead paying the Development Fee in lump sum for all the Stores you are required to open under the Development Schedule, you must pay us the Development Fee for each Store as on the date such Store opens of business.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

**FRANCHISOR:**

**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

(\*This is the Effective Date)

**MULTI-UNIT DEVELOPER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in Illinois and the activities you conduct under the Multi-Unit Development Agreement will be conducted in Illinois, and/or (b) you are domiciled in Illinois.

2. **ACKNOWLEDGMENT.** 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.

3. **ENTIRE AGREEMENT.** The following sentence is added to the end of Section 14.1 (“Entire Agreement”) of the Multi-Unit Development Agreement:

Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

4. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Multi-Unit Development Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, the Franchise Agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of a Multi-Unit Development Agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

[SIGNATURE PAGE TO FOLLOW]

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

**FRANCHISOR:**

**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

(\*This is the Effective Date)

**MULTI-UNIT DEVELOPER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) your Development Area is located in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **ACKNOWLEDGMENT.** 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.

3. **DEVELOPMENT FEE.** The following language is added to the end of Section 2.1 of the Multi-Unit Development Agreement:

Pursuant to the order of the Maryland Securities Commissioner, we have posted a surety bond in the amount of \$[insert amount] from [insert name of the surety bond provider]. The terms of the surety bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have begun operating the Store. A copy of that surety bond is on file with the Maryland Securities Commissioner.

4. **AUTOMATIC TERMINATION – NO RIGHT TO CURE.** The following sentence is added to the end of Section 7.1 of the Multi-Unit Development Agreement:

This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. **VENUE; GOVERNING LAW.** The following sentence is added to the end of Section 14.3 of the Multi-Unit Development Agreement:

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 14.5 (“Waiver of Jurisdiction”) of the Multi-Unit Development Agreement:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

7. **RELEASES.** The Multi-Unit Development Agreement is further amended to state that “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any

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.”

*[SIGNATURE PAGE FOLLOWS]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

**FRANCHISOR:**

**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_  
          (\*This is the Effective Date)

**MULTI-UNIT DEVELOPER:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) your Development Area is located in Minnesota; and/or (b) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in Minnesota.

2. **ACKNOWLEDGMENT.** 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.

3. **RELEASES.** The following is added to the end of Sections 8.2 (“Transfer By You”) of the Multi-Unit Development Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **NON-RENEWAL AND TERMINATION.** The following is added to the end of Sections 3.4 (“Expiration of Development Rights”) and 7 (“Default and Termination”) of the Multi-Unit Development Agreement:

However, 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 this Agreement and that our consent to the transfer of the franchisee should not be unreasonably withheld.

5. **INJUNCTIVE RELIEF.** The following language is added to the end of Sections 3.3 (“Failure to Comply with Development Schedule”) and 14.2 (“Arbitration”) of the Multi-Unit Development Agreement is:

You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. A court will determine if a bond is required.

6. **NOTIFICATION OF ACTION OR CLAIM.** The following sentence is added to the end of Section 9.4 of the Multi-Unit Development Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs or

expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

7. **VENUE; GOVERNING LAW.** The following statement is added at the end of Section 14.3 of the Multi-Unit Development Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

8. **LIMITATION OF CLAIMS.** The following language is added to the end of Section 14.5 (“Waiver of Jury Trial”) of the Multi-Unit Development Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

9. **WAIVER OF PUNITIVE DAMAGES; WAIVER OF JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, Sections 14.4 (“Waiver of Punitive Damages”) and 14.5 (“Waiver of Trial”) of the Multi-Unit Development Agreement are deleted.

10. **OTHER FEES.** NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

**FRANCHISOR:**

**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

(\*This is the Effective Date)

**MULTI-UNIT DEVELOPER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN NEW YORK**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and your Development Area is located in New York, and/or (b) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in New York.

2. **ACKNOWLEDGMENT.** 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.

3. **TRANSFER BY US.** The following language is added to the end of Section 8.1 of the Multi-Unit Development Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **RELEASES.** The following is added to the end of Sections 8.2 (“Transfer By You”) of the Multi-Unit Development Agreement:

Notwithstanding the foregoing all rights enjoyed by you 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

5. **TERMINATION BY YOU.** The following language is added to the end of Section 7 (“Default and Termination”) of the Multi-Unit Development Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

6. **VENUE; GOVERNING LAW.** The following sentence is added to the end of Section 14.3 of the Multi-Unit Development Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law as amended, and the regulations issued thereunder.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

**FRANCHISOR:**

**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

(\*This is the Effective Date)

**MULTI-UNIT DEVELOPER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota; or (b) an offer to buy is accepted in the State of North Dakota; or (c) if you are domiciled in the State of North Dakota, your Development Area is located in the State of North Dakota.

2. **ACKNOWLEDGMENT.** 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.

3. **RELEASES.** The following is added to the end of Sections 8.2 (“Transfer By You”) of the Multi-Unit Development Agreement:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. **ARBITRATION.** The following language is added to the end of Section 14.2 of the Multi-Unit Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

5. **VENUE; GOVERNING LAW.** The first sentence of Section 14.3 of the Multi-Unit Development Agreement is deleted in its entirety and replaced with the following language:

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the state in which your Development Area is located, without regard to its conflict of laws rules, except that any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

6. **LIMITATION OF CLAIMS.** To the extent required by the North Dakota Franchise Investment Law, Sections 14.4 (“Waiver of Punitive Damages”) and 14.5 (“Waiver of Jury Trial”) of the Multi-Unit Development Agreement are deleted. Otherwise, the following language is added to the end of Section 14.5 (“Waiver of Jury Trial”) of the Multi-Unit Development Agreement:

The statutes of limitations under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

**FRANCHISOR:**

**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

(\*This is the Effective Date)

**MULTI-UNIT DEVELOPER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN RHODE ISLAND**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20 \_\_\_\_, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and your Development Area is located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in Rhode Island.

2. **ACKNOWLEDGMENT.** 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.

3. **VENUE; GOVERNING LAW.** The following is added at the end of Section 14.3 of the Multi-Unit Development Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a franchise restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

[SIGNATURE PAGE TO FOLLOW]

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

**FRANCHISOR:**

**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date\*: \_\_\_\_\_

(\*This is the Effective Date)

**MULTI-UNIT DEVELOPER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

.

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN VIRGINIA**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “Multi-Unit Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because your Development Area is located in Virginia.

2. **ACKNOWLEDGMENT.** 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.

3. **DEVELOPMENT FEE.** The following language is added to the end of Section 2.1 of the Multi-Unit Development Agreement:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP**

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF FRANCHISEE IS AN INDIVIDUAL**

Individual Name:

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE EVERBOWL FRANCHISE, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT AND RELATED-AGREEMENTS  
FOR USE IN WASHINGTON**

**THIS RIDER** is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 (“we”) and \_\_\_\_\_, a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) the offer is directed into the State of Washington and is received where it is directed; or (b) you are a resident of the State of Washington; or (c) your Development Area is located, wholly or partly, in the State of Washington.
2. **ACKNOWLEDGMENT.** 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.
3. **DEVELOPMENT FEE.** The following language is added to the end of Section 2.1 of the Multi-Unit Development Agreement:

Pursuant to the order of the Director of the Department of Financial Institutions, we have posted a surety bond in the amount of \$[insert amount] from [insert name of the surety bond provider]. The terms of the surety bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have begun operating the Store. A copy of that surety bond is on file with the Director of the Department of Financial Institutions.

4. **INDEMNIFICATION BY YOU.** The following is added to the end of Section 9.3 (“Indemnification by You”) of the Multi-Unit Development Agreement:

Your obligation to indemnify does not extend to an Indemnitee’s acts or omissions amounting to gross negligence, willful misconduct, or fraud.

5. **APPROVALS.** Section 10.2 is deleted in its entirety and replaced with the following:

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

6. **WASHINGTON LAW.** The following paragraphs are added to the end of the Multi-Unit Development Agreement:

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

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

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

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

The Franchise Disclosure Document does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

**FRANCHISOR:**

**EVERBOWL FRANCHISE, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_  
          (\*This is the Effective Date)

**MULTI-UNIT DEVELOPER:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**NEW YORK REPRESENTATIONS PAGE**

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

### **State Effective Dates**

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

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

California	June 14, 2024
Hawaii	_____
Illinois	Pending
Indiana	June 11, 2024
Maryland	Pending
Michigan	June 11, 2024
Minnesota	Pending
New York	Pending
North Dakota	June 28, 2024
Rhode Island	June 28, 2024
South Dakota	June 12, 2024
Virginia	July 16, 2024
Washington	Pending
Wisconsin	June 11, 2024

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

**EXHIBIT I**  
**RECEIPTS**

**RECEIPT  
(OUR COPY)**

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

If Everbowl Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Everbowl Franchise, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Everbowl Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance Date: June 11, 2024

The franchisor is Everbowl Franchise, LLC, 1300 Specialty Drive, #100 Vista, California 92081. Tel: (760) 330-9001. The franchise seller for this offering is:

<input type="checkbox"/> Jeff Fenster Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001	<input type="checkbox"/> Erik Hansen Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001	<input type="checkbox"/> Trevor Sacco Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001	<input type="checkbox"/> _____ Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001
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See Exhibit A for Everbowl Franchise, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated June 11, 2024, that included the following Exhibits:

Exhibit A	State Agencies/Agents for Service of Process	Exhibit F	Form of General Release
Exhibit B	Franchise Agreement	Exhibit G	Table of Contents to the Operations Manual
Exhibit C	Multi-Unit Development Agreement	Exhibit H	State Specific Addenda/Rider
Exhibit D	Lists of Franchisees & Those Franchisees Who Have Left the System or Not Communicated with Franchisor	Exhibit I	Receipts
Exhibit E	Financial Statements		

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email to Everbowl Franchise, LLC, 1300 Specialty Drive, #100 Vista, California 92081. Email: [franchise@everbowl.com](mailto:franchise@everbowl.com)

**RECEIPT  
(YOUR COPY)**

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

If Everbowl Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Everbowl Franchise, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Everbowl Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance Date: June 11, 2024

The franchisor is Everbowl Franchise, LLC, 1300 Specialty Drive, #100 Vista, California 92081. Tel: (760) 330-9001. The franchise seller for this offering is:

<input type="checkbox"/> Jeff Fenster Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001	<input type="checkbox"/> Erik Hansen Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001	<input type="checkbox"/> Trevor Sacco Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001	<input type="checkbox"/> _____ Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001
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See Exhibit A for Everbowl Franchise, LLC's registered agents authorized to receive service of process.

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Exhibit D	Lists of Franchisees & Those Franchisees Who Have Left the System or Not Communicated with Franchisor	Exhibit I	Receipts
Exhibit E	Financial Statements		

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.