

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 area development agreement require you to resolve disputes with us by mediation, arbitration and/or litigation in Dallas, Texas. Out-of-state mediation, arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate or litigate with us in Dallas, Texas than in your home state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement and/or the area development agreement even though your spouse has no ownership interest in the franchise and/or the area development rights. This guarantee will place both you and our spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

received at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions. Gross Sales did not include deductions allowed for uncollected or uncollectible credit accounts and no allowances were made for bad debts. The payments received for online group-bought deals, gift certificates or gift cards were included in Gross Sales in accordance with our guidelines for calculating Gross Sales. Gross Sales did not include the amount of any tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers.

Annual Gross Sales of Franchised Reporting Parks in 2024 by Quartile

As of December 31, 2024, 69 franchisee-owned Parks were open and operating in the franchise system in the United States. For the purposes of this Item 19, we exclude 9 Parks as follows: (i) 8 franchisee-owned Parks opened for business during 2024 and were therefore not open and operating during the entire year, including 1 franchisee-owned Park purchased from our affiliate in 2024; and (ii) 1 franchisee-owned Park that was undergoing construction during 2024 and was closed for a substantial period of time. We have also not included any data from our international franchised Parks. We have also not included 2 franchised Parks that closed during 2024 [\(each of which were open for over 12 months\)](#), ~~or~~ and 3 franchised Parks that were acquired by our affiliates in 2024.

The following annual Gross Sales information is presented for the remaining 60 franchised Parks operating in the United States (“Franchised Reporting Parks”). These Franchised Reporting Parks were divided into 4 quartiles based on each Franchised Reporting Park’s annual Gross Sales in the calendar year ended December 31, 2024 (with Quartile 1 represents those Franchised Reporting Parks with the highest annual Gross Sales and the other Quartiles are in descending order with Quartile 4 representing those Franchised Reporting Parks with the lowest annual Gross Sales).

Quartile	# Parks in Quartile	Average Annual Gross Sales	# of Parks Above Average	Highest Annual Gross Sales	Lowest Annual Gross Sales	Median Annual Gross Sales
Quartile 1	15	\$3,088,544	4 (27%)	\$4,293,307	\$2,688,952	\$2,853,331
Quartile 2	15	\$2,192,831	7 (47%)	\$2,415,530	\$1,922,979	\$2,183,843
Quartile 3	15	\$1,726,027	9 (60%)	\$1,915,226	\$1,479,923	\$1,787,617
Quartile 4	15	\$1,192,569	9 (60%)	\$1,477,513	\$792,597	\$1,263,412
TOTAL	60	\$2,049,993	26(43%)	\$4,293,307	\$792,597	\$1,919,103

Cost of Goods Sold, Payroll Costs, and EBITDA for Franchised Accounting Parks in 2024

The following cost information is based on the 29 the Franchised Reporting Parks that provided us the requested financial reporting data on a timely basis (“Franchised Accounting Parks”). The remaining

4. The following language is added at the end of Item 17(v):

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

MINNESOTA

1. The following is added at the end of the chart in Item 17:

~~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) of the Franchise Agreement and Area Development Agreement and 180 days' notice for non-renewal of the Franchise Agreement and Area Development Agreement.~~

~~Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J~~ Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibits ~~us~~ the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the ~~Area Developer or F~~ franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document, Area Development Agreement or Franchise or A greement(s) can abrogate or reduce (1) any of Area Developer's or the F franchisee's rights as provided for in ~~Minnesota Statutes, Chapter 80C, or Area Developer's or~~ Minnesota Statute 80C or (2) F franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

~~Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by Governing Law with respect to claims arising under Minn. Rule 2860.4400D.~~

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)

- o that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and
- o that consent to the transfer of the franchise will not be unreasonably withheld.

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

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

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

NEW YORK

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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

WE MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE DEVELOPER OR FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With regard to us, our parent, predecessor or affiliate, 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

However, subject to your mediation and arbitration obligations, to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. Item 17(w) is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Delaware shall apply.

RHODE ISLAND

1. The following language is added to the end of Item 17(v) and 17(w):

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

1. The following language is added to the end of Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Development Agreement or Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. [The following risk factor is added to the “Special Risks to Consider about this Franchise” page:](#)

[Unregistered Trademark. The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.](#)

WASHINGTON

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

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. 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.

16. Questionnaires and Acknowledgments. 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.

17. ~~16.~~ Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. ~~17.~~ Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the

business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. ~~18.~~ Fee Deferral. Pursuant to an order of the Director of the Department of Financials Institutions, we will defer collection of the Initial Franchise Fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and you begin operating your Park. If you sign an Area Development Agreement, the Area Development Fee and other initial payments will be prorated for the number of Parks in your Development Quota, and the prorated portion of such fees and initial payments attributable to each Park will be deferred by us until that Park opens for business

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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

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19. Fee Deferral. All development fees and initial payments by you will be prorated for the number of Parks in your Development Quota, and the prorated portion of fees and initial payments attributable to each Park will be deferred by us until that Park opens for business

[SIGNATURE PAGE TO FOLLOW]

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19. Fee Deferral. Pursuant to an order of the Director of the Department of Financial Institutions, we will defer collection of the initial franchise fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the this Agreement and you have begun operating your Park.

[SIGNATURE PAGE TO FOLLOW]