

## FRANCHISE DISCLOSURE DOCUMENT

**Boomerang Franchise LLC**  
a Maryland limited liability company  
6120 Syracuse Court  
Clarksville, Maryland 21029  
Phone: 443-540-8888  
www.hyperkidzplay.com  
Email: [cb@hyperkidzplay.com](mailto:cb@hyperkidzplay.com)



The franchise described in this Disclosure Document is to operate a Hyper Kidz business, which is an interactive, indoor playground for kids ages 6 months to 13 years that encourages healthy and active social play.

The total investment necessary to begin operation of a Hyper Kidz franchise is \$751,633 to \$1,800,333. This includes \$50,000 that must be paid to the franchisor and/or its affiliate.

The total investment necessary to begin operation of a Hyper Kidz Multi-Unit Development Agreement business ranges from \$803,633 to \$1,852,833. This includes \$92,500 that must be paid to the franchisor and/or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Chinnababu Gudapati at 6120 Syracuse Court, Clarksville, Maryland, 21029, and [gudapatichinna@gmail.com](mailto:gudapatichinna@gmail.com).

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, DC, 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: April 30, 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 F.
<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 D 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 Hyper Kidz business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement and multi-unit operator 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 a Hyper Kidz franchisee?</b>	Item 20, Exhibit F 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 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 Addendum. See the Table of Contents for the location of the State Specific Addendum.

## 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 operator agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Maryland. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Maryland than in your own state.
- 2) **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
- 3) **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
- 4) **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.
- 5) **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. If so, check the "State Specific Addendum" (if any) to see whether your state requires other risks to be highlighted.

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A – List of State Administrators/Agents for Service of Process

B – Franchise Agreement With Attachments

Attachment 1: Franchise Acknowledgement Statement

Attachment 2: Trademark

Attachment 3: Territory

Attachment 4: General Release

Attachment 5: ACH Authorization

Attachment 6: Collateral Assignment Of Lease

Attachment 7: Statement of Ownership Interest Of Franchisees

Attachment 8: Spousal Guaranty

Attachment 9: Confidentiality and Non-Compete Agreement

Attachment 10: Internet Advertising, Social Media and Telephone Account Agreement

C – Multi-Unit Development Agreement With Attachments

Attachment 1: Certification by Multi-Unit Developer

Attachment 2: Minimum Performance Schedule

Attachment 3: Development Area

D – Financial Statements

E – Operations Manual Table of Contents

F – Outlets as of the date of this Disclosure Document

G – State Addenda

H – Receipt

## **Item 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

### **The Franchisor**

The Franchisor is Boomerang Franchise LLC. For ease of reference Boomerang Franchise LLC will be referred to as “we” or “us” in this Disclosure Document. We will refer to the person or entity who signs the Franchise Agreement as “you” throughout this Disclosure Document. If you are a corporation or other legal entity, certain provisions of the Franchise Agreement apply to your “Principals” (defined below) and will be noted.

We are a Maryland limited liability company formed on May 14, 2018. We do business under our corporate name and under the name “Hyper Kidz”. Our principal business address is 6120 Syracuse Court, Clarksville, Maryland, 21029. We are engaged in the business of granting and supporting franchises to franchisees under the “Hyper Kidz” trade name and trademark. We have no other business activities. We have never offered franchises in this or any other line of business. We began offering franchises in October 2018.

Our agents for service of process are listed in Exhibit A.

### **Our Parent, Predecessors and Affiliates**

We have no parent or predecessor.

### **The Franchise Offered**

The “Franchise” offered by this Disclosure Document is for the right to own and operate a Hyper Kidz business according to the terms of our “Franchise Agreement” which is attached to this Disclosure Document as Exhibit B. A Hyper Kidz business is a themed, interactive, indoor playground for kids ages 6 months to 13 years that encourages healthy and active social play (“Hyper Kidz Business” or “Franchised Business”). Hyper Kidz Businesses offer unlimited play with three different attractions: Big Kid Zone, Kid Zone, and Mini Zone, which are geared toward specific age groups.

Big Kid Zone is a large play structure primarily for children from 3 to 13 and at least 4 feet tall. Big Kid Zone includes a large 3-4 level play structure featuring multiple tube and spiral slides, , various obstacles, soft play equipment, and other interactive play activities. The Kid Zone is primarily for children from 2 to 7 and features a 2-story play structure, motorized revolving rides, slides, a ball pit, spinning palms, a building block room, a light up wall, and other fun play equipment. Mini Zone is primarily a self-contained play zone for babies and toddlers up to two years old and features themed soft play equipment, mounted to the ground, with extensive padding and no sharp edges. Hyper Kidz Businesses also host birthday parties. A typical Hyper Kidz Business will need 11,000 to 16,000 square feet of space.

Hyper Kidz Businesses are established and operated under a comprehensive and unique system (the “System”). The System includes distinctive signage, interior and exterior themed design, unique dress, décor and color scheme; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures; training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, at our discretion. Certain aspects of the System are more fully described in this Disclosure Document and in the Confidential Operations Manual, which you should expect to evolve over time, which is loaned to you as our franchisee.

Hyper Kidz Businesses use certain trademarks, service marks, and commercial symbols, including the mark “Hyper Kidz”, all of which we may modify periodically, a certain store design, décor and image developed for Hyper Kidz Businesses and certain associated logos (collectively the “Marks” or “Proprietary Marks”). The Marks are owned by Boomerang Franchise LLC.

Since a Hyper Kidz Business requires franchisees and their employees to work directly with children, you must pass our rigorous screening process, and you must make sure that all of your employees also pass a rigorous screening process. You may not employ anyone who has been convicted of a sex crime or a crime against a child, or who does not otherwise meet our requirements.

### **Multi-Unit Development Agreement**

In certain circumstances, we will offer to you the right to sign a multi-unit development agreement (the “Multi-Unit Development Agreement”) in the form attached as Exhibit C to this Disclosure Document to open multiple Hyper Kidz Businesses to be located within a specifically described geographic area (the “Development Area”). We will determine the Development Area before you sign the Multi-Unit Development Agreement and a description of the Development Area will be included in the Multi-Unit Development Agreement. Under the Multi-Unit Development Agreement, you must establish at least three Hyper Kidz Businesses within the Development Area according to a minimum performance schedule, and sign a separate Franchise Agreement for each Hyper Kidz Business established under the Multi-Unit Development Agreement. The Franchise Agreement for the first Hyper Kidz Business opened under the Multi-Unit Development Agreement will be in the form attached as Exhibit B to this Disclosure Document and will be signed at the same time you sign the Multi-Unit Development Agreement. For each additional Hyper Kidz Business developed under the Multi-Unit Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees which may differ from the current Franchise Agreement. The size of the Development Area will vary depending upon local market conditions and the number of Hyper Kidz Businesses to be developed.

### **Market and Competition**

Hyper Kidz Businesses offer their products and services to the general public, but your primary target will be the parents of children ages 6 months to 13 years. You will compete with other businesses that offer similar products and services, some of which may be individual businesses, a chain of businesses or a franchise system. Sales are year-round with this business.

### **Industry Specific Laws and Regulations**

There are no regulations specific to operating a Hyper Kidz Business, but you must comply with all local, state and federal health and sanitation laws that apply to retail operations as well as laws that apply generally to these businesses and to places of public assembly or gathering. You should make further inquiries to find out about these laws and general regulations in your area.

## **Item 2: BUSINESS EXPERIENCE**

### **Bynia Reed – Principal Officer**

Ms. Reed has been our Principal Officer since our inception and has been Chief Operating Officer for our Affiliate, Maryland Indoor Play, LLC located in Columbia, Maryland since May 25, 2018. ~~Her education and background include a B.A. from Princeton University, and a Master’s Degree from the~~

~~University of Southern California.~~ She is a licensed Child Psychotherapist and ~~has been in the field of developmental child psychology and mental health since 2001.~~ She is also a ~~Consultant~~ consultant for various organizations serving individuals, children, and families.

### **Chinnababu Gudapati – Principal Officer**

Mr. Gudapati has been our Principal Officer since our inception and has been Chief Executive Officer for our Affiliate Maryland Indoor Play, LLC, located in Columbia, Maryland, since May 25, 2018. Since April 2001, he has been actively involved as an information technology consultant with Cloud Technologies in Clarksville, MD. Additionally, he leads several Montessori and childcare centers. ~~Mr. Gudapati possesses a master's degree in mathematics and holds various certifications in team leadership and cloud infrastructure.~~

### **Sangeetha Iyer Ramdurai – Principal Officer**

Ms. Ramdurai has been our Principal Officer since our inception and has been Chief Administrative Officer for our Affiliate Maryland Indoor Play, LLC located in Columbia, Maryland since May 25, 2018. From January 2013 to the present, she has been Administrative Officer for Srinergy 2 Educare, an education services company based in Clarksville, Maryland.

### **Item 3: LITIGATION**

No litigation is required to be disclosed in this Disclosure Document.

### **Item 4: BANKRUPTCY**

Except as provided below, no bankruptcy information is required to be disclosed in this Disclosure Document.

### **Item 5: INITIAL FEES**

### **Franchise Agreement**

**Initial Franchise Fee:** You must pay us an initial franchise fee of \$42,500, which is due in a lump sum when you sign the Franchise Agreement. The initial franchise fee is imposed uniformly on all franchisees and is not refundable under any circumstances.

**Training Fee:** You must pay us a training fee equal to \$7,500 when you schedule your trainees to attend our initial training program. We will train up to three people for the training fee. If you wish to send additional trainees to our initial training program, you must pay an additional training fee of \$1,500 per person. You must also pay all expenses your trainees incur while attending training, including travel, lodging, meals and applicable wages. The training fee is not refundable.

### **Multi-Unit Development Agreement**

**Development Fee:** If you sign a Multi-Unit Development Agreement, you must pay us a development fee. The development fee is payable to us in a lump sum when you sign the Multi-Unit Development Agreement and is not refundable under any circumstances.

The development fee is calculated as 100% of the initial franchise fee for the first Hyper Kidz Business to be developed (\$42,500), plus 50% of the initial franchise fee (\$21,250) for each additional Hyper Kidz Business to be developed in the Development Area. For example, if you commit to develop three Hyper Kidz Businesses in the Development Area, the development fee is calculated as  $\$42,500 + (2 \times \$21,250 = \$42,500) = \$85,000$ .

We expect that you will sign the Franchise Agreement for your first Hyper Kidz Business at the same time you sign the Multi-Unit Development Agreement, and a portion of the development fee will be used to pay the initial franchise fee for this Hyper Kidz Business in full. For each Hyper Kidz Business developed after the first one, a pro rata portion of the development fee is applied toward the initial franchise fee due for that Hyper Kidz Business, and the balance of the initial franchise fee (\$19,750) is payable in a lump sum when you sign the Franchise Agreement for that Hyper Kidz Business.

**Training Fee:** You must pay us a training fee equal to \$7,500 when you schedule your trainees to attend our initial training program. We will train up to three people for the training fee. If you wish to send additional trainees to our initial training program, you must pay an additional training fee of \$1,500 per person. You must also pay all expenses your trainees incur while attending training, including travel, lodging, meals and applicable wages. The training fee is not refundable.

Illinois residents only: The Illinois Attorney General’s Office imposed a Surety Bond requirement equal to the initial fee times the number of franchises to be sold due to Franchisor’s financial condition.

There are no other payments to or purchases from us or our affiliates that you must make before your Franchised Business opens.

**Item 6: OTHER FEES**

<b>Fees <sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee <sup>(2)</sup>	6% of Gross Sales	Payable on Tuesday of each week (or the next business day if any Tuesday is not a business day)	Royalty Fees are calculated based on Gross Sales for the previous week ending Sunday. Amounts due will be withdrawn by EFT from your designated bank account.
Brand Development Fee	2% of Gross Sales	Payable at the same time and in the same manner as the Royalty Fee	You must contribute when we establish the Brand Development Fund. The Brand Development Fund is described in Item 11.
Local Marketing	2% of Gross Sales	Must be spent monthly	You will spend this money directly with your local marketing vendors or us. All marketing must be approved by us before you use it.
Cooperative Marketing <sup>(3)</sup>	As determined by cooperative members	Not currently Assessed	Not Applicable

Fees <sup>(1)</sup>	Amount	Due Date	Remarks
Technology Fee <sup>(4)</sup>	\$290 per month plus \$500 set up fee	As arranged	When Billed
Initial Training (For New or Replacement Employees)	\$1,500	15 days after billing	Training for up to three people is included in the training fee. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages.
Additional On-Site Training	\$250	When billed	If you request that we provide additional training at your Hyper Kidz Business or if we determine you need additional training, you must pay our daily fee for each trainer we send to your Hyper Kidz Business, and you must reimburse each trainer's expenses, including travel, lodging and meals.
Designated Accounting Fee	\$250 per month	As incurred	Payable to designated supplier. Our designated accountant is the sole approved accounting services provider for the first two years of operation of your Franchised Business.
Interest	1.5% per month or the highest rate allowed by applicable law, whichever is less	On demand	Interest may be charged on all overdue amounts. Interest accrues from the original due date until the amount is paid in full.
Late Fee	\$125 per occurrence	On demand, if incurred	For any payment owed to us that is not paid on time, you must pay us, in addition to interest on the overdue amount, a late fee.

Fees <sup>(1)</sup>	Amount	Due Date	Remarks
Audit Fee	Cost of audit (estimated to be between \$1,000 and \$5,000)	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more. You must also pay the understated amount plus interest.
Insufficient Funds Fee	\$125 per occurrence	On demand, if incurred	Payable if there are insufficient funds in your account to pay fees due to us. If you incur three insufficient funds fees in any 12-month period, we have the right to terminate your Franchise Agreement.
Transfer Fee	\$15,000	Submitted with transfer application	No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders.
Successor Agreement Fee	50% of our then-current initial franchise fee	On signing of Successor Agreement	
Liquidated Damages	The amount equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.	15 days after termination	Payable to us

Fees <sup>(1)</sup>	Amount	Due Date	Remarks
Costs and Attorneys' Fees	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	Actual costs	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the Proprietary Marks in an unauthorized manner.
Repair, Maintenance, and Remodeling/Redecorating	Actual costs	As incurred	Payable to approved suppliers. You must regularly clean and maintain your Hyper Kidz Business and its equipment according to our requirements. We may require you to remodel or redecorate your Hyper Kidz Business to meet our then-current image for all Hyper Kidz Businesses. We will not require you to remodel or redecorate your Hyper Kidz Business more frequently than every five years. If you do not maintain your Hyper Kidz Business according to our standards, we may arrange for the necessary maintenance and you must reimburse our costs on demand.
Management Fee	10% of Gross Sales, plus expenses	If incurred	We have the right to step in and manage your Franchised Business in certain situations, such as your death, disability or prolonged absence.

<b>Fees <sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Product or Supplier Evaluation	Reimbursement of our costs, up to \$500	On demand, if incurred	Payable if you request that we evaluate a product or supplier that we have not previously approved and that you want to use for your Franchised Business.
Insurance Premiums	Reimbursement of our costs, plus 10% administrative fee	On demand	If you do not maintain the required insurance coverages, we have the right (but not the obligation) to obtain insurance on your behalf and you will reimburse us.
Customer Loyalty Program	Actual costs	As incurred	If we develop a customer loyalty program, you must participate in it.
Gift Card Program	Actual costs	As incurred	If we develop a gift card program, you must participate in it.

**Notes:**

1. All fees described in this Item 6 are non-refundable. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. The amounts given may be due to changes in market conditions, our cost of providing services and future policy changes.
2. For the purposes of determining the fees to be paid under the Franchise Agreement, “Gross Sales” means the total selling price of all services and products and all income of every other kind and nature related to the Franchised Business, 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 point of sale system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments. We may authorize certain other items to be excluded from Gross Sales. Any exclusion may be revoked or withdrawn at any time by us.

The Royalty Fee and Brand Development Fee will be withdrawn from your designated bank account by electronic funds transfer (“EFT”) on Tuesday of each week based on Gross Sales for the preceding week ending Sunday. On Monday of each week, you must report to us your Gross Sales for the previous week ending Sunday. If you do not report Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development Fee that we debited. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee you actually owe us, once we have been able to determine the true and correct Gross Sales for your Franchised Business, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

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

3. Cooperatives will include all Hyper Kidz Businesses located in a specific geographic area, whether owned by us, our affiliates or our franchisees. Each Hyper Kidz Business has one vote in the cooperative, except that no franchisee (or commonly controlled group of franchisees) may have more than 25% of the total vote, regardless of the number of Hyper Kidz Businesses owned. No cooperatives have been established as of the date of this Disclosure Document. In the event of a tie vote, the franchisor is the tie breaking vote.
4. We have the right to periodically increase the technology fee, which will not occur more frequently than annually. We will provide you with 60 days' prior written notice of any change to the technology fee.

**Item 7: ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<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>	\$42,500	Lump Sum	On signing Franchise Agreement	Us
Training Fee <sup>(1)</sup>	\$10,500	As arranged	Before training	Us
Rent – 3 Months <sup>(2)</sup>	\$58,000 to \$124,000	As arranged	As arranged	Landlord
Security Deposits <sup>(3)</sup>	\$19,333 to \$41,333	As arranged	As arranged	Landlord, Utility Companies
Designated Designer/ Designated Architect Fees <sup>(4)</sup>	\$25,000 to \$50,000	As arranged	As arranged	Designated Designer, Designated Architect
Leasehold Improvements <sup>(5)</sup>	\$250,000 to \$900,000	As arranged	As arranged	Contractor
Signage <sup>(6)</sup>	\$12,000 to \$36,000	As arranged	As arranged	Approved Suppliers
Furniture, Fixtures & Equipment <sup>(7)</sup>	\$250,000 to \$400,000	As arranged	As arranged	Approved Suppliers
Initial Inventory <sup>(8)</sup>	\$15,000 to \$25,000	As arranged	As arranged	Approved Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer System <sup>(9)</sup>	\$7,500 to \$20,000	As arranged	As arranged	Approved Suppliers
Permits and Licenses <sup>(10)</sup>	\$2,000 to \$6,000	As arranged	As arranged	Government Agencies
Building Permits/ Impact Fees	\$5,000 to \$20,000	As arranged	As arranged	Government Agencies
Professional Fees <sup>(11)</sup>	\$5,000 to \$20,000	As arranged	As arranged	Attorney, Designated Accountant
Insurance <sup>(12)</sup>	\$3,800 to \$16,000	As arranged	As arranged	Insurance Companies
Training Expenses <sup>(13)</sup>	\$1,000 to \$5,000	As arranged	As incurred	Airlines, Hotels, Restaurants
Grand Opening Advertising <sup>(14)</sup>	\$5,000 to \$14,000	As arranged	As arranged	Suppliers
Additional Funds – 3 Months <sup>(15)</sup>	\$40,000 to \$70,000	As arranged	As incurred	Various
<b>Total<sup>(16)</sup></b>	<b>\$751,633 to \$1,800,333</b>			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment. All of our estimates assume that you will purchase the required items. Your costs may be lower if you choose to lease some items.

**Notes:**

- 1. Initial Franchise Fee; Training Fee.** You must pay us an initial franchise fee of \$42,500, which is due in a lump sum when you sign the Franchise Agreement. The initial franchise fee is imposed uniformly on all franchisees and is not refundable under any circumstances. Training Fee: You must pay us a training fee equal to \$7,500 when you schedule your trainees to attend our initial training program. We will train up to three people for the training fee. If you wish to send additional trainees to our initial training program, you must pay an additional training fee of \$1,500 per person. You must also pay all expenses your trainees incur while attending training, including travel, lodging, meals and applicable wages. The training fee is not refundable.
- 2. Rent.** If you do not own adequate property, you must lease the property for your business. The typical size for a Hyper Kidz Business is 11,000 to 16,000 square feet and is located in a commercial, retail or light industrial setting. ~~The costs will vary widely and may be significantly higher than projected in this table depending on factors such as property location, population density, economic climate, prevailing interest rates and other financing costs, conditions of the property and extent of alterations required for the property. You should investigate all of these costs in the area where you wish to establish a Hyper Kidz Business.~~

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 (“CAM 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 vary depending on the size of the property, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region.

If you choose to purchase real property on which to build your Hyper Kidz Business, your initial investment will probably be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

3. **Security Deposits.** We expect that you will need to pay deposits for your local utilities, such as telephone, electricity and gas, and your landlord may require you to pay a security deposit. The amount of your deposits will depend, in part, on your credit rating and the policies of the individual utility companies.
4. **Designated Designer/ Designated Architect Fees.** You must hire a designated architect to prepare construction plans for the build-out of your Franchised Business based on the specifications and requirements we provide. You and the designated architect must make sure that the construction plans comply with all applicable laws, ordinances, and building codes, including the Americans with Disabilities Act.
5. **Leasehold Improvements.** The cost of leasehold improvements will vary depending on numerous factors, including: (a) the size and configuration of the premises; (b) pre-construction costs (such as demolition of existing walls and removal of existing improvements and fixtures); and (c) cost of materials and labor, which may vary based on geography and location. These amounts are based on the cost of adapting our prototypical architectural and design plans to remodel and finish-out of Hyper Kidz Businesses and the cost of leasehold improvements. ~~These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials and whether you must use union labor. These costs may also vary depending on whether certain of these costs will be incurred by the landlord.~~ Our estimate does not include any tenant improvement allowance you may negotiate.
6. **Signage.** These amounts represent your cost for your interior and exterior signage. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs.
7. **Furniture, Fixtures & Equipment.** Our estimate includes the various playground equipment you will need for each of Big Kid Zone, Kid Zone, and Mini Zone, as well as a video surveillance system. Our estimate also includes furnishings, including office equipment (desk, chairs, filing cabinet, shelving), reception desk, lobby area furniture, shelving units, dispensers for toilet paper, paper towels and hand sanitizer, audio visual equipment installation (including video monitors, speakers, rack, sound system, mic, wiring), waiver kiosks/tablets, surveillance and security system, refrigerators and coolers.
8. **Initial Inventory.** Our estimate includes paper supplies, cleaning supplies beverages, uniforms for staff, office supplies and party supplies.

9. **Computer System.** You must purchase the computer system that we specify, including hardware components and certain software.
10. **Permits and Licenses.** Our estimate includes the cost of obtaining local business licenses which typically remain in effect for one year. The cost of these permits and licenses will vary substantially depending on the location of your Hyper Kidz Business. You should consult the appropriate governmental authority concerning the availability of required licenses and the associated expenses for your Hyper Kidz Business before you sign a Franchise Agreement.
11. **Professional Fees.** We strongly encourage you to retain an attorney and an accountant to assist you with evaluating this franchise offering. Your advisor may also assist you with negotiating your lease or purchase agreement for the approved location, and with forming a corporate entity to own the franchise, if you choose to do so. You must use our designated accountant for the first two years of operation of your Franchised Business, and the estimated monthly accounting fee paid to this sole approved supplier is included in this estimate.
12. **Insurance.** You must have the insurance that we specify for your Hyper Kidz Business at all times during the term of your Franchise Agreement. Our insurance requirements are included in Item 8. Our estimate includes up to 12 months of premiums.
13. **Training Expenses.** 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. These amounts do not include any fees or expenses for training any other personnel. ~~Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation.~~ The lower end of our estimate assumes that the trainees live within driving distance of our training facility. The high end of our estimate assumes that additional travel is required.
14. **Grand Opening Advertising.** You must conduct a grand opening advertising campaign to promote the opening of your Hyper Kidz Business. Your grand opening campaign must include the elements we require, such as direct mail campaigns and giveaways. We must approve of your grand opening advertising campaign, and your campaign must be conducted in the period that includes 12 weeks before and 12 weeks after opening of your Hyper Kidz Business. We reserve the right to collect some or all of your grand opening funds and/or your Local Advertising expenditure and implement grand opening campaign activities and/or Local Advertising on your behalf.
15. **Additional Funds.** This estimates your initial start-up expenses for an initial three-month period, not including payroll costs, Royalty Fees, Brand Development Fees or other continuing fees payable to us, and does not include any revenue that your Hyper Kidz Business may earn in the first three months of operation. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months.
16. **Totals.** We relied on our Affiliate's experience in operating a Hyper Kidz Business since 2018 to prepare these estimates.

\* \* \* \* \*

**YOUR ESTIMATED INITIAL INVESTMENT  
MULTI-UNIT DEVELOPER – DEVELOPMENT OF THREE HYPER KIDZ BUSINESSES**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee <sup>(1)</sup>	\$85,000	Lump Sum	On signing Multi-Unit Development Agreement	Us
Vehicle – 3 Months <sup>(2)</sup>	\$2,000 to \$2,500	As arranged	As arranged	Suppliers
Training Fee <sup>(3)</sup>	\$7,500	As arranged	Before training	Us
Other Expenditures for First Franchised Business <sup>(4)</sup>	\$709,133 to \$1,757,833	See First Table	See First Table	See First Table
<b>Total</b>	<b>\$803,633 to \$1,852,833</b>			

None of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment.

**Notes:**

**1. Development Fee.** The development fee is discussed in Item 5. The development fee estimate assumes you will develop three Hyper Kidz Businesses. If you choose to develop additional Hyper Kidz Businesses, the development fee will increase by \$19,750 for each additional Hyper Kidz Business you commit to develop.

**2. Vehicle.** We anticipate that you will need a vehicle to view potential sites and to oversee the build-out of the Hyper Kidz Businesses. Our estimate includes three months of expenses for gas, maintenance and vehicle payments.

**3. Training Fee.** You must pay us a training fee equal to \$7,500 when you schedule your trainees to attend our initial training program. We will train up to three people for the training fee.

**4. Other Expenditures for First Franchised Business.** These are the estimates to build-out your first Hyper Kidz Business. ~~Costs associated with building out additional Hyper Kidz Businesses are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs.~~

**Item 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

To ensure that the highest degree of quality and service is maintained, you must operate your Hyper Kidz Business in strict conformity with our methods, standards and specifications, as set forth in the Confidential Operations Manual (“Manual”) or otherwise in writing. You must refrain from deviating from these methods, standards and specifications without our prior written consent. We may revise the contents

of the Manual, and you must comply with each new or changed standard and specification. You must at all times make sure that your copy of the Manual is kept current and up to date. We may provide the Manual in hard copy or electronically, such as by CD-ROM or by a password-protected website.

You must maintain in sufficient supply (as we may prescribe in the Manual or otherwise in writing), and use at all times, only the products and supplies purchased from suppliers designated or approved by us, and any other materials, paper goods, fixtures, furnishings, equipment, signs and other items as conform with our standards and specifications. You must not deviate from those standards and specifications by the use of non-conforming items, without our prior written consent.

You must sell and offer for sale only those programs, products and services that we have expressly approved for sale in writing and in the manner and style we require. You must discontinue offering for sale any programs, products and services we may disapprove in writing at any time. We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you notice in the Manual or other methods (such as by email) of any changes in the standards and specifications.

You must purchase and install, at your expense, all fixtures, furnishings, equipment (including computer hardware and software), décor and signs as we may reasonably direct; and you must not, without our prior written consent, install or permit to be installed any fixtures, furnishings, equipment (including computer hardware and software), décor, signs or other items not previously approved as meeting our standards and specifications. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be an approved supplier.

Currently neither we nor our Affiliate are an approved supplier for any product or service you must purchase or lease. None of our officers has an ownership interest in any approved supplier.

Our designated accountant is the sole approved supplier of accounting services for the first two years of operation of your Franchised Business. We also may designate the suppliers you must use for your music subscription service, background checks on your employees, and the required video surveillance. You must also make sure that we have access to your video surveillance feed and/or records. A list of our approved suppliers will be included in the Manual and is subject to change over time. We will provide you notice in the Manual or otherwise in writing (such as via email) of any changes to the list of approved suppliers.

You must select a site that you propose to use for your Franchised Business and you must submit to us all information we require to evaluate the site you propose. You may not obtain the site (by lease, sublease or purchase agreement) until the site has been approved by us. We have the right to review any lease, sublease or purchase agreement for the approved site before you sign it. At our request, you and your landlord must sign our form of Collateral Assignment of Lease, attached to the Franchise Agreement as Attachment 6.

You must arrange for blueprints and/or construction plans to be prepared for the build-out of your Franchised Business. We have the right to designate the architect or design firm that you must use. We will provide you with our requirements for the layout of your Franchised Business. Any blueprints or construction plans must be submitted to us for our approval before you may begin construction. Our review is only meant to verify compliance with our standards and presentation of the Proprietary Marks. You must make sure that the plans are in compliance with all applicable laws, ordinances and building codes, including the Americans with Disabilities Act. We may inspect your Franchised Business during its construction and you may not open your Franchised Business until we have approved it for opening.

Any advertising materials that you have had prepared for you, or that we have not approved within the most recent 12-month period, and that you wish to use to promote your Hyper Kidz Business must be submitted to us for our approval before the materials may be used. You may not use any advertising materials that we have not approved.

If you wish to purchase, lease or use any products or other items, or purchase from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can 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 have the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. You or the supplier must reimburse our costs for our evaluation of the proposed product or supplier (up to \$500). Our supplier approval procedure does not obligate us to approve any particular supplier. We will notify you within 60 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier. We are not required to make available to you or to any supplier the criteria for product or supplier approval that we deem confidential.

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above in which you must participate.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Hyper Kidz Businesses in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). We may also choose to contribute these Allowances to the Brand Development Fund, but if we do so it does not reduce or eliminate your obligation to pay the Brand Development Fee. During the fiscal year ended December 31, 2023, we did not earn any Allowances.

You must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, partners, and employees. The policies must provide protection against any demand or claim relating to personal and bodily injury, death, or property damage, or any liability arising from your operation of the Franchised Business. All policies must be written by a responsible carrier or carriers that we determine to be acceptable and that are rated at least "A" with A.M. Best, must name us and our affiliates as additional insureds, must contain a waiver of all subrogation rights against us, our Affiliates, and our respective successors and assigns, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement or otherwise in the Manual. Each policy must provide us with 30

days' advance notice of any change to or cancellation of the policy. Additionally, we may designate one or more insurance companies as the insurance carrier(s) for Hyper Kidz Businesses. If we do so, we may require that you obtain your insurance through the designated carrier(s).

As of the date of this Disclosure Document, you must have the following insurance coverages: (1) public/general liability insurance, including child molestation coverage, in the amount of \$1,000,000 per occurrence and \$2,000,000 aggregate and \$250,000 damage to rented premises per occurrence; (2) umbrella liability insurance in the amount of \$1,000,000; (3) personal and advertising injury coverage with limits of \$1,000,000 per occurrence and \$10,000 per person medical benefits; (4) products/completed operations coverage of \$1,000,000 aggregate; (5) property damage insurance including all perils coverage to personal property with a minimum amount of \$400,000; (6) automobile insurance for any owned, non-owned or hired vehicles, and including uninsured/underinsured motorist coverage, as required by the state in which the Franchised Business is located; (7) business interruption insurance to cover lost income for up to 12 months; (8) money and securities insurance of not less than \$10,000 per occurrence inside and \$1,000 per occurrence outside; (9) workers compensation and employer liability insurance in the amounts required by the state in which the Franchised Business is located; and (10) any insurance required by the terms of your lease or that we may require in the future. None of your insurance policies should have a deductible of greater than \$1,000.

We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We have the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes.

Your insurance policies must be issued by an insurance company licensed to do business in the state where your Franchised Business is located. No later than 15 days before your Franchised Business opens, you must provide us with a certificate of insurance showing that you have obtained all required insurance coverages, and you must provide us with updated certificates of insurance when policies are renewed. If you do not obtain the insurance coverages that we require we may, but are not obligated to, obtain insurance on your behalf. If we do this, you must reimburse our expenses plus a 10% administrative fee.

When determining whether to grant new or additional franchises we consider many factors, including compliance with the requirements described above.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 80% to 85% of your total purchases in establishing your Hyper Kidz Business, and approximately 50% to 60% of your total purchases in the continuing operation of your Hyper Kidz Business.

### **Item 9: FRANCHISEE'S OBLIGATIONS**

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

In the following table, the abbreviation "FA" refers to the Franchise Agreement, and the abbreviation "MUDA" refers to the Multi-Unit Development Agreement.

<b>Obligation</b>	<b>Article or Section in Agreement</b>	<b>Disclosure Document Item</b>
(a) Site selection and acquisition/ lease	FA: Article 4 MUDA: Section 3	Items 7, 8 and 11
(b) Pre-opening purchases/leases	FA: Article 4	Items 5, 7 and 11
(c) Site development and other pre-opening requirements	FA: Article 4	Items 8 and 11
(d) Initial and ongoing training	FA: Article 5	Items 5, 6, 7 and 11
(e) Opening	FA: Article 4	Item 11
(f) Fees	FA: Articles 10, 12, 16, 17 and 19 MUDA: Section 2	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/operating manual	FA: Articles 5 and 11	Item 11
(h) Trademarks and proprietary information	FA: Articles 6, 7, 8 and 9 MUDA: Section 7	Items 13 and 14
(i) Restrictions on products/services offered	FA: Article 11	Items 8 and 16
(j) Warranty and customer service requirements	Not applicable	Not applicable
(k) Territorial development and sales quotas	MUDA: Section 3	Item 12
(l) On-going product/service purchases	FA: Article 11	Item 8
(m) Maintenance, appearance and remodeling requirements	FA: Articles 4 and 11	Item 6
(n) Insurance	FA: Article 11	Items 6 and 8
(o) Advertising	FA: Articles 4 and 12	Items 6, 8 and 11
(p) Indemnification	FA: Articles 6 and 15 MUDA: Section 14	Item 6
(q) Owner's participation/ management/ staffing	FA: Article 11 MUDA: Section 7	Items 11 and 15
(r) Records and reports	FA: Article 13	Item 11
(s) Inspections and audits	FA: Article 14 MUDA: Section 12	Items 6 and 8
(t) Transfer	FA: Article 16 MUDA: Section 11	Items 6 and 17
(u) Successor Agreement	FA: Article 17 MUDA: Section 5	Items 6 and 17

Obligation	Article or Section in Agreement	Disclosure Document Item
(v) Post-termination obligations	FA: Article 19 MUDA: Section 10	Item 17
(w) Non-competition covenants	FA: Articles 9, 16 and 19 MUDA: Section 12	Item 17
(x) Dispute resolution	FA: Article 20 MUDA: Section 19	Item 17
(y) Liquidated damages	FA: Article 19	Item 6
(z) Guaranty	FA: Attachment 8	Item 15

### **Item 10: FINANCING**

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

### **Item 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, Boomerang Franchise LLC is not required to provide you with any assistance.**

#### **Pre-Opening Obligations**

**Multi-Unit Development Agreement:** Before you begin operating under the Multi-Unit Development Agreement, we will grant to you exclusive rights to a Development Area within which you will assume the responsibility to establish and operate an agreed-upon number of Hyper Kidz Businesses under separate Franchise Agreements (Multi-Unit Development Agreement – Section 1.1).

**Franchise Agreement:** Before you open your Hyper Kidz Business, we will:

1. Approve of the site you propose, if it meets our requirements. Once the location for your Franchised Business has been approved by us, we will designate the boundaries of your Designated Territory. (Franchise Agreement – Section 4.1.)
2. Approve a lease or purchase agreement for the approved site, if the lease or purchase agreement meets our criteria. We may also assist you in negotiating the lease or purchase agreement. If we do not notify you of our approval or disapproval a proposed lease or purchase agreement within 15 days, it shall be deemed approved. At our request, you must have your landlord sign a Collateral Assignment of Lease. (Franchise Agreement – Section 4.2. and Attachment 6)
3. Furnish our design specifications, which include our requirements for design, decoration, layout, equipment, furniture, fixtures, color scheme, signs and other operating materials needed for the Hyper Kidz Business to open. (Franchise Agreement – Section 4.3.)
4. Review your construction plans. Our review of your construction plans is not meant to assess compliance with any applicable laws, ordinances, or building codes. Our review of your proposed

plans is only to verify that your Hyper Kidz Business will be built out according to our specifications for design and appearance. (Franchise Agreement – Section 4.3.)

5. Loan you for your sole use one copy of the Manual for the term of the Franchise Agreement. We may provide the Manual electronically. (Franchise Agreement – Section 5.5.)

6. Train up to three people in the operation of your Hyper Kidz Business. We describe this training later in this Item. We will also provide one of our representatives to assist with opening your Hyper Kidz Business for up to 14 days. If you request additional days of opening assistance, you must pay our then-current per diem fee for each additional day of assistance and you must reimburse our representative's additional expenses, including travel, lodging and meals. If you are opening your second or later Hyper Kidz Business, we have the right to reduce the amount of opening assistance provided or to not provide opening assistance. (Franchise Agreement – Section 5.1.)

7. Consult with you to develop the grand opening advertising campaign you must conduct for the Hyper Kidz Business. (Franchise Agreement – Section 4.8.)

8. Subject to applicable law, Franchisor may recommend or set maximum prices for services and products offered by Franchisee, which may vary depending on geographic and other market conditions. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits. (Franchise Agreement – Section 11.13.)

### **Continuing Obligations**

**Multi-Unit Development Agreement:** During the term of the Multi-Unit Development Agreement:

1. We will review site survey information on sites you select for conformity to our standards and criteria for potential sites and, if the site meets our criteria, approve the site for a Hyper Kidz Business. We will approve sites for future/additional units under a Multi Unit Agreement using our then current site criteria. (Multi-Unit Development Agreement – Section 8.1).

2. We will provide you with standard specifications and layouts for building and furnishing the Hyper Kidz Business (Multi-Unit Development Agreement – Section 8.2).

3. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications (Multi-Unit Development Agreement – Section 8.3).

4. We will provide other resources and assistance as may be developed and offered to our multi-unit developers (Multi-Unit Development Agreement – Section 8.4).

**Franchise Agreement:** During the operation of your Hyper Kidz Business, we will do the following:

1. Furnish guidance to you with respect to: (a) specifications, standards and operating procedures utilized by Hyper Kidz Businesses and any modifications of them; (b) purchasing approved equipment, fixtures, signs, inventory, and operating materials and supplies; (c) development and implementation of local marketing and promotional programs; (d) administrative, bookkeeping, accounting, inventory control, and general operating and management procedures of Hyper Kidz

Businesses; and (e) establishing and conducting employee training programs at your Franchised Business. This guidance will be furnished in the form of the Manual, bulletins, written reports and recommendations, other written materials (including email), periodic telephonic consultations, or consultations at our offices or at your Franchised Business. (Franchise Agreement – Section 5.4.)

2. Additional training and assistance on-site at your Hyper Kidz at your request or if we determine that additional training or assistance is necessary. You must pay our then-current per diem fee for each trainer we send to you, and you must reimburse our trainers' expenses, including travel, lodging and meals. (Franchise Agreement – Section 5.2.)

3. License to you the right to use the Marks and certain copyrighted works and will indemnify you from certain claims relating to your use of the Marks as more fully described in Items 13 and 14. (Franchise Agreement – Articles 6 and 7.)

4. Maintain a Brand Development Fund. (Franchise Agreement – Section 12.1.)

5. At our option, hold a meeting of our franchisees. This meeting will be held when we believe it will be beneficial to the franchisees in the System and will not be held more frequently than annually. (Franchise Agreement – Section 5.3.)

6. Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), if you have fully complied with the terms of the Franchise Agreement. (Franchise Agreement, Section 6.5.)

### **Site Selection**

You must select the site for your Hyper Kidz Business, and you must obtain our written acceptance of any proposed site in accordance with our procedures. Within 180 days after you sign the Franchise Agreement, you must submit to us the information and materials we may reasonably require for your proposed site, including demographic, commercial and other information, and photographs. We will consider the site based on demographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area (including other Hyper Kidz Businesses), the number of households, income levels, population, the purchase price or lease terms for the proposed site and other commercial characteristics, the size of the premises, appearance, and other physical characteristics of the proposed site. (Franchise Agreement – 4.1)

We will have 30 days after we receive this information and materials from you to approve or disapprove the proposed site as the location for your Hyper Kidz Business. If we do not provide our specific approval of a proposed site, the site is deemed not approved. Our approval only means that the site meets our requirements for a Hyper Kidz Business. We also reserve the right to approve your lease. We will not lease a site and then sublease it to you. (Franchise Agreement 4.1.2)

If you do not locate a suitable site within 180 days after you sign the Franchise Agreement, we will provide you with an additional 30 days to locate a suitable site. If you do not locate a suitable site within this additional 30-day period, we may provide you with an additional extension, in our discretion, or we may terminate the Franchise Agreement. (Franchise Agreement 4.1.2)

## **Opening**

We estimate that the time from when the Franchise Agreement is signed to the opening of the Hyper Kidz Business will be approximately 9 to 12 months. This time may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Hyper Kidz Business, 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 Hyper Kidz Business, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Hyper Kidz Business, including purchasing inventory and supplies, and completing our initial training program. You must open your Hyper Kidz Business and begin business not later than 12 months after you sign the Franchise Agreement. If you are unable to open your Hyper Kidz Business within the required timeframe, we may provide you with an extension of this timeframe or we may terminate your Franchise Agreement. You may not open your Hyper Kidz Business for business until we have approved you to do so. (Franchise Agreement 4.7)

If you are a Multi-Unit Developer, you must sign your first Franchise Agreement at the same time you sign the Multi-Unit Development Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your first Franchised Business is the same as for an individual franchisee. Each additional Franchised Business you develop must be opened according to the terms of your minimum performance schedule. (Multi-Unit Development Agreement 3.2)

### **Grand Opening Advertising Campaign** (Franchise Agreement 4.8)

You must spend at least \$5,000 to conduct a grand opening advertising campaign to promote the opening of your Hyper Kidz Business. Your grand opening campaign must include the elements we require, such as direct mail campaigns and giveaways. We must approve of your grand opening advertising campaign, and your campaign must be conducted in the period that includes 12 weeks before and 12 weeks after opening of your Hyper Kidz Business.

We reserve the right to collect some or all of your grand opening funds and/or your Local Advertising expenditure and implement grand opening campaign activities and/or Local Advertising on your behalf.

### **Brand Development Fund** (Franchise Agreement 12.1)

We have a brand development fund (referred to as the “Fund”) for brand development, advertising, marketing and public relations programs that we believe are necessary or appropriate to promote Hyper Kidz Businesses. You must pay a non-refundable Brand Development Fee to the Fund in an amount equal to 2% of your Gross Sales. As stated in Item 8, we may contribute Allowances we receive from approved suppliers to the Fund. If we choose to do this, it does not reduce or eliminate your obligation to pay the Brand Development Fee. Hyper Kidz Businesses owned and operated by us or our affiliates will contribute to the Fund on the same basis as our franchisees.

We will direct all advertising and public relations programs financed by the Fund with sole discretion over the creative concepts, materials, and endorsements it uses, and the geographic, market, and media placement and allocation of it. The Fund may be used to pay the costs of developing marketing ideas and concepts; developing market research and merchandising programs; preparing marketing campaigns; developing promotional ideas and strategies; preparing collateral creative materials; preparing advertisements; preparing public relations campaigns; providing technical and professional advice in connection with any of the above; and placement of advertising. We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs such as salaries for our employees who devote

time and effort to Fund related activities) of developing, producing and distributing any advertising materials and collecting the Brand Development Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Development Fee). The Fund and its earnings will not otherwise benefit us.

You must participate in all advertising and public relations programs conducted by the Fund. The Fund may furnish you with samples of certain marketing, advertising and promotional formats and other such materials without charge. We will not spend any contributions to the Fund on advertising that is a solicitation of new franchisees.

The Fund is held in an account separate from our general funds. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all Hyper Kidz Businesses to the Fund in that year and the Fund may borrow from us or other lenders at standard commercial interest rates to cover deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund. Any money remaining in the Fund at the end of any year will carry over to the next year. We will prepare within 120 after each fiscal year end, and furnish to you upon written request, an annual, unaudited statement of money collected and costs incurred by the Fund.

The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

We may have the Fund incorporated or operated through an entity separate from us at any time we deem appropriate, and the successor entity will have all our rights and duties as described in this section and in the Franchise Agreement.

The Fund is intended to maximize recognition of the Marks and patronage of Hyper Kidz Businesses generally. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising, to benefit all Hyper Kidz Businesses, we have no obligation to make sure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by the Hyper Kidz Businesses operating in that geographic area, or that any Hyper Kidz Business will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. Your failure to derive this benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Fund. We have no fiduciary obligation to you or any other Hyper Kidz Business in connection with the establishment of the Fund or the collection, control or administration of monies paid into the Fund. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund.

We have the right to terminate the Fund at any time. We will not terminate the Fund until all money in the Fund has been spent for advertising and promotional purposes. If we choose to terminate the Fund, we also have the right to reinstate it at any time, and any reinstated Fund will be maintained as described above.

In our most recently concluded fiscal year, which ended on December 31, 2023. The Brand Development Fund spending went towards 10% Local SEO, 20% Social Media Marketing, 10% Email Marketing, 10% Content Marketing, 10% Online Advertising, 10% Public Relations, 10% Sponsorships & Partnerships, 10% Local Events, 5% Customer Loyalty Programs, 5% Training and Support.

**Local Marketing** (Franchise Agreement 12.2)

You must conduct local marketing and promotional programs in your Designated Territory to promote your Hyper Kidz Business. You must provide us with a report within 15 days after the end of each calendar quarter detailing your local marketing activities, including verification copies of your advertising and copies of bills for expenses related to a promotion. During the term of the Franchise Agreement, you must spend 2% of Gross Sales each month for local marketing and promotion.

We reserve the right to collect some or all of your grand opening funds and/or your Local Advertising expenditure and implement grand opening campaign activities and/or Local Advertising on your behalf.

Any advertising or marketing materials you propose to use that have been prepared by or for you, or that we have not approved in the immediately preceding 12-month period, must be submitted to us and receive our approval before you may use the materials. The proposed materials must be submitted to us no later than 14 days before you intend to use them. Unless we provide our specific approval of the proposed materials within this 14-day period, the materials are deemed not approved. Any advertising or promotional 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.

At our request, you must include certain language in your local marketing, including “Franchises Available” and our website address and telephone number.

### **Marketing Cooperatives** (Franchise Agreement 12.3)

We may designate any geographic area in which two or more Hyper Kidz Businesses are located as an area for purposes of establishing a marketing cooperative (“Cooperative”), or we may approve of the formation of a Cooperative by our franchisees. The members of the Cooperative for any area will consist of all franchised Hyper Kidz Businesses; Hyper Kidz Businesses operated by us or our affiliates may, but are not required to, participate in a Cooperative. We have the right to form, dissolve, merge or change the structure of the Cooperatives. Each Cooperative will be organized for the exclusive purposes of administering marketing programs for Cooperative members and developing, subject to our approval as described above, promotional materials for use by the members in local marketing. If a Cooperative has been established for a geographic area where your Hyper Kidz Business is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative. You will not have to participate in more than one Cooperative. If the Cooperative will operate according to written documents, we must approve of these documents, and a copy of the Cooperative documents applicable to the geographic area in which your Hyper Kidz Business will be located will be provided to you if you request them.

The members of a Cooperative will determine, by vote, the amount that each member of the Cooperative shall contribute to the Cooperative. Any contributions you make to a Cooperative will count toward your local marketing requirement, but if the amount you contribute to a Cooperative is less than the amount you must spend on local marketing, you must still spend the difference locally. All contributions to the Cooperative will be maintained and administered in accordance with the documents governing the Cooperative, if any. The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above. The Cooperative is not required prepare an annual financial statement. Each Hyper Kidz Business has one vote in the Cooperative, except that no franchisee (or commonly controlled group of franchisees) may have more than 25% of the total vote, regardless of the number of Hyper Kidz Businesses owned.

**Advisory Council** (Franchise Agreement 12.6)

We may, in our discretion, form an advisory council to work with us to improve the System, the products and services offered by Hyper Kidz Businesses, advertising conducted by the Fund, and any other matters that we deem appropriate. If an advisory council is formed it will act solely in an advisory capacity and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council. The advisory council will include our representatives and franchisee representatives. Franchisee representatives may be chosen by us or may be elected by a vote of other franchisees. If you participate in an advisory council, you will pay any expenses you incur related to your participation, which may include travel, lodging and meals expenses if you must travel to attend council meetings.

**Website / Intranet / Social Media** (Franchise Agreement 19.2 and Attachment 10)

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 your Hyper Kidz Business a “click through” subpage at our website for the promotion of your Hyper Kidz Business. 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 your Hyper Kidz Business, you must routinely provide us with updated copy, photographs and news stories about your Hyper Kidz Business 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 electronic commerce that we establish or maintain may – in addition to advertising and promoting the products and services available at Hyper Kidz Businesses – also be devoted in part to offering Hyper Kidz Business 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 email, 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 your Hyper Kidz Business; 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 “Hyper Kidz” name or any name confusingly similar to the Marks.

You are not permitted to promote your Hyper Kidz Business 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. You must comply with our System Standards regarding the use of social media in your Hyper Kidz Business’s operation, including prohibitions on your and your employees posting or blogging comments about the Hyper Kidz Business or the System, other than on a website established or authorized by us (“social media” includes personal blogs, common social networks like Facebook, Instagram and YouTube, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We have the right to conduct collective/national campaigns via local social media on your behalf.

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. We reserve the right, at any time, to revoke your ability to use social media and/or to maintain a social media website.

### **Computer System** (Franchise Agreement Article 11)

You must purchase and use certain computer hardware and software, including point of sale systems that we designate, that are capable of electronically interfacing with our computer system. The computer system is used to collect and monitor point of sale information, create business reports, scheduling, payroll management, inventory management, credit card processing, and booking parties.

The computer system must allow us to have immediate 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 highspeed internet connection in accordance with our specifications to permit us to access the point of sale (or other computer hardware and software) at your Franchised Business premises as described above. This will permit us to electronically inspect and monitor information concerning your Hyper Kidz Business’s Gross Sales and any other information that may be contained or stored in the computer system, including the ability to review your video surveillance. You must make sure that we have access at the times and in the manner we specify, at your cost.

You must purchase the computer system we specify and you must have Party Center software. Our specific requirements for the computer system will be included in our Manual. You must purchase the computer system from any authorized seller, unless we designate a specific supplier. We expect that the computer system will cost between \$6,500 and \$10,000, including initial software licenses.

We recommend, but do not require, that you purchase a maintenance contract for your computer system. We cannot estimate the cost of a maintenance contract for your computer system, as it will depend on the level of service you select. You must obtain all software updates that we require, and we estimate that the cost of software updates and/or subscriptions will cost approximately \$3,600 annually.

All software used with the computer system must be kept up to date. In addition, we may require you to update and/or upgrade all or a portion of your computer system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your computer system or the cost of any update and/or upgrade. Neither we nor any affiliate of ours will provide you with any updates, upgrades or maintenance for your computer system. We reserve the right to change the designated computer system in the future and you must comply with any change we require.

You must obtain and maintain a highspeed internet connection at all times for your computer system. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have access at all times and in the manner that we specify.

### **Training** (Franchise Agreement Article 5)

No later than 60 days before the date your Hyper Kidz Business begins operation, you (or one of your Principals), your General Manager and one additional trainee (for a maximum of three people) must attend and complete, to our satisfaction, our mandatory initial training program. Training will be conducted at our Affiliate’s Hyper Kidz Business in Columbia, Maryland, at our headquarters, or at another location we designate. Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement general managers and other personnel needing

training, the number of new Hyper Kidz Businesses being opened and the timing of the scheduled openings of Hyper Kidz Businesses. There is currently no set schedule for providing our training program. We may train more than one franchisee and their General Managers at the same training session.

We will provide instructors and training materials for the initial training of you, your General Manager and one additional trainee for the training fee, and you must pay the expenses incurred by you and your trainees while attending training, including travel, lodging, meals and applicable wages. You may also have additional personnel trained by us for your Hyper Kidz, at your expense. You (or one of your Principals) and your General Manager must complete the initial training program to our satisfaction. If you (or one of your Principals) do not satisfactorily complete the initial training program, we will give you an opportunity to retake our training program at your expense. If you do not satisfactorily complete the initial training program a second time, we may terminate your Franchise Agreement. Franchise owners and their family members may not be General Managers without prior approval from us.

If the General Manager does not satisfactorily complete the initial training program or if we determine that the General Manager cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training, at your expense, before you will be permitted to open your Hyper Kidz Business. Any General Manager subsequently designated by you must also receive and complete the initial training to our satisfaction, even if this requires sending that manager to the headquarters training program, at your expense. We have the right to charge a reasonable fee (currently \$1,500) for the initial training we provide to a replacement or successor employee if we have not approved you to provide the training.

The instructional materials used in the initial training include our Manual, marketing and promotion materials, programs related to the operation of the computer system, and any other materials that we believe will be beneficial to our franchisees in the training process.

As of the date of this Disclosure Document, we provide the following training program:

#### **TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Floor Management	2	3	Columbia, MD
Front Desk Management	2	3	Columbia, MD
Party Hosting	2	3	Columbia, MD
Equipment Maintenance	2	3	Columbia, MD
Running the operation	2	3	Columbia, MD
Managing Social Media	2	3	Columbia, MD
Customer Relation	2	3	Columbia, MD
Setting up Software	2	3	Columbia, MD

The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the experience or individual needs of those persons being trained.

Our training program is conducted by Chinnababu Gudapati and Bynia Reed. We have the right to draw upon the experience of our Affiliate's employees to assist in certain training modules. Each instructor has between one and 12 years of experience in the subject he/she is teaching, and less than one year of experience with us or our Affiliate.

For the opening of your Hyper Kidz Business, we will provide you with one of our trained representatives. The trained representative will provide on-site pre-opening and opening training, supervision, and assistance to you for up to 14 days around your Hyper Kidz Business's opening. If you request additional days of on-site opening assistance, you must pay our then-current per diem fee (currently \$250) for each additional day of opening assistance provided, and you must reimburse our representative's expenses for the additional days, including travel, lodging and meals. If you are opening your second (or later) Franchised Business, we have the right to reduce the duration of our representative's visit or to not provide opening assistance.

If, during the term of your Franchise Agreement, you request that we provide additional training on-site at your Hyper Kidz Business, or if we determine that you need additional training or assistance (such as if you incur unsatisfactory or below average ratings after an inspection), you must pay our then-current per diem fee (currently \$250) for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals.

We do not anticipate holding any refresher training programs.

We have the right to hold a meeting or convention of our franchisees, which may be held on a regional or national basis. We may specify that attendance at any franchisee meeting is mandatory for you and/or your General Manager unless the absence is excused by us. We may use a franchisee meeting to discuss new products or services, to discuss concerns with our franchisees, and/or to provide additional training. We will determine the location of the franchisee meeting, but we will not designate an unreasonably expensive location. We do not anticipate charging a fee for the franchisee meeting, but you must pay all expenses that you and your attendees incur, including travel, lodging, meals and applicable wages.

## **Operations Manual**

The table of contents to the Operations Manual is attached hereto as Exhibit E. The Operations Manual includes approximately 96 pages.

## **Item 12: TERRITORY**

### **Franchise Agreement**

Your Franchise Agreement will specify the site that will be the Approved Location for your Hyper Kidz Business. Your Franchise Agreement will also specify a Designated Territory, which will be a minimum of 65,000 kids ages 13 & under within a 15-mile radius (Driving Distance), whichever comes first around the Approved Location. Your Designated Territory may be described in terms of street, municipal or other boundaries, and may be depicted on a map that is attached to your Franchise Agreement. If you do not yet have a location at the signing of the Franchise Agreement, you will receive a non-exclusive site search area list as Attachment 3.

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a Hyper Kidz Business in your Designated Territory, except as may be

permitted under the Franchise Agreement and those exceptions are described below. Your territorial protection does not depend on your achieving a certain sales volume, market penetration, or other factor, other than compliance with the Franchise 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.

If, during the term of the Franchise Agreement, you wish to relocate your Hyper Kidz Business, or if your Hyper Kidz Business is damaged or destroyed and cannot be repaired within 60 days, you must submit to us in writing the materials we require to consider your request, including information concerning the proposed new location for your Hyper Kidz Business. You must also meet certain other requirements, such as being in compliance with the Franchise Agreement, the location meets our then-current requirements for a Hyper Kidz Business and is located within your Designated Territory, and you must sign our then-current form of Franchise Agreement. If we permit you to relocate, you will not pay a new initial franchise fee when you sign the new Franchise Agreement. We do not charge a relocation fee.

Except as expressly limited by the Franchise Agreement, we and our affiliates retain all rights with respect to Hyper Kidz Businesses, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Hyper Kidz Businesses and any other goods through similar or dissimilar channels of distribution, both within and outside the Designated Territory, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Hyper Kidz Businesses located outside the Designated Territory under any terms and conditions we deem appropriate and regardless of proximity to your Hyper Kidz Business; and (c) the right to acquire and operate a business with one or more indoor recreation facilities located or operating in your Designated Territory, but if we do acquire this business any facilities located or operating within your Designated Territory will not use the Marks.

You may sell our products and services to customers who live anywhere but who choose to use your Franchised Business. You may not engage in any promotional activities or sell our products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system, except for party bookings made through our website; through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Designated Territory, you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Designated Territory. You may not make any sales or deliver any products to customers located outside of your Designated Territory unless the customer is located in an area where there is no Hyper Kidz Business in operation. You may not directly solicit customers outside of your Designated Territory. You may not sell any products to any business or other customer at wholesale.

During the term of your Franchise Agreement, if we have a prospective franchisee who is interested in establishing a Hyper Kidz Business in an area that is contiguous to your Designated Territory, we may offer you a right of first refusal to purchase the Franchised Business and establish it in the proposed area. We may offer you this right of first refusal if you are in full compliance with the Franchise Agreement, if all fees owed to us have been paid in full and have not been late during the immediately preceding 12-month period, and if we believe you are financially capable of constructing and operating another Hyper

Kidz Business. You will have 30 days after receiving the right of first refusal to notify us whether you will purchase the additional Franchised Business. If you decline the right of first refusal, or if you fail to notify us within the 30-day period, we will be free to sell the Franchised Business to the prospective franchisee and you will have no further interest in the proposed area.

We and our affiliates may sell products and services under the Proprietary Marks within and outside your Designated Territory through any method of distribution other than a dedicated Hyper Kidz Business, including sales through channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing sales (together, “alternative distribution channels”). You may not use alternative distribution channels to make sales outside or inside your Designated Territory and you will not receive any compensation for our sales through alternative distribution channels. Any sales made through our Website will be fulfilled by us or our affiliate and you will not be entitled to any portion of the revenue from these sales, even if the order originates from or is delivered to an address within your Designated Territory.

We intend to forward all inquiries generated through our website to the appropriate Hyper Kidz Business in the System. If an inquiry is forwarded to you and you choose not to respond to the inquiry or fulfill any request, we, our affiliate or another franchisee may fulfill the request and you will not be entitled to any revenue generated from the request. All leads generated through our website will be our property.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned businesses which sell our products or services under a different trade name or trademark that may compete with your franchised business, but we have the right to do so in the future without first obtaining your consent. We describe earlier in this Item 12 what we may do anywhere and at any time.

We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.

### **Multi-Unit Development Agreement**

Under the Multi-Unit Development Agreement, we grant you the right to develop and operate the number of Hyper Kidz Businesses in the Development Area that is specified in the minimum performance schedule, which is Attachment 2 to the Multi-Unit Development Agreement. The Development Area is typically described in terms of municipal or county boundaries but may be defined by zip codes or as a specified trade area in a municipality. The actual size of the Development Area will vary depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, population and market conditions. Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for Hyper Kidz Businesses in the Development Area for you to meet your minimum performance schedule. We will approve sites for future/additional units under a Multi Unit Agreement using our then current site criteria. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria so you can meet the minimum performance schedule.

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 Hyper Kidz Businesses to be located within the Development Area. However, we have the right to terminate this exclusivity if you are not in

full compliance with all of the terms and conditions of the Multi-Unit Development Agreement and all of the Franchise Agreements signed under it.

Except as expressly limited by the Multi-Unit Development Agreement, we and our affiliates retain all rights with respect to Hyper Kidz Businesses, the Marks, and any products and services anywhere in the world including the right: (a) to offer and sell and to grant others the right to offer and sell the products and services offered at Hyper Kidz Businesses, both within and outside the Development Area, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Hyper Kidz Businesses located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Hyper Kidz Businesses; and (c) to acquire and operate a business operating one or more similar businesses located or operating in your Development Area, but if one of these businesses is located within your Development Area, it will not operate using the Proprietary Marks.

After the last Hyper Kidz Business under the minimum performance schedule has opened, your Multi-Unit Development Agreement will expire. At this time if we believe that it is desirable to establish additional Hyper Kidz Businesses within the Development Area, and if you complied with the terms of your Multi-Unit Development Agreement and are in compliance with your Franchise Agreements, we will offer you the right to develop these additional Hyper Kidz Businesses. You must exercise this option, in full, within 60 days after our notice to you. If you do not exercise or you decline this right of first refusal, we shall have the right to sell these development rights to another multi-unit developer or to develop the Hyper Kidz Businesses ourselves.

To maintain your rights under the Multi-Unit Development Agreement you must have open and in operation the cumulative number of Hyper Kidz Businesses stated on the minimum performance schedule by the dates agreed upon in the minimum performance schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Multi-Unit Development Agreement.

In addition, upon the expiration of the term of the Multi-Unit Development Agreement, which is when the last Hyper Kidz Business to be developed within the Development Area opens for business, your exclusive rights under the Multi-Unit Development Agreement with respect to the Development Area will terminate and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Hyper Kidz Businesses within the Development Area. This right will be subject only to the territorial rights under the Franchise Agreements signed by you for Hyper Kidz Businesses in the Development Area and your right of first refusal to develop additional Hyper Kidz Businesses, as described above. The Development Area may not be altered unless we and you mutually agree to do so. There are no minimum sales goals, market penetration or other contingency that you must meet to keep the exclusivity of your Development Area, except that you must meet your minimum performance schedule.

### **Item 13: TRADEMARKS**

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us. These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business. The Multi-Unit Development Agreement does not grant to you any right to use the Marks.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability.

In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks.

Boomerang Franchise LLC owns the following principal Marks which have been registered or applied for registration with the U.S. Patent and Trademark Office (“USPTO”) on the Principal Register:

Mark	Filing Date	Serial Number	Registration Date	Registration Number
	October 11, 2018	88150621	June 2, 2020	6070287

Licensor has filed all required affidavits. No registrations have been required to be renewed as of the date of this disclosure document; however, Licensor has filed with the United States Patent and Trademark Office all required maintenance for the above Marks.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks. There are no agreements currently in effect which significantly limit our right to use or license the use of the Marks in any manner material to you.

Your right to use the Marks is derived solely from the Franchise Agreement and is limited to your operation of a Hyper Kidz Business in compliance with the Franchise Agreement and all applicable standards, specifications and operating procedures we prescribe during the term of the Franchise Agreement. Any unauthorized use of the Marks by you constitutes a breach of the agreement and an infringement of our rights in and to the Marks. Your use of the Marks and any goodwill established by your use will be for our exclusive benefit. All provisions of the Franchise Agreement applicable to the Marks will apply to any other trademarks, service marks, commercial symbols and trade dress we authorize in writing for use by and licensed to you after you sign the Franchise Agreement.

You must use the Marks as the sole trade identification of the Hyper Kidz Business and must identify yourself in the form we prescribe as the independent owner of the Hyper Kidz Business. You may not use any Mark or variation thereof as part of any corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form. You may not use any Mark or any variation of it in connection with the performance or sale of any unauthorized services or products, as part of your corporate name, as part of the domain name or address of a website, or in any other manner we have not expressly authorized in writing. You must display the Marks prominently in the manner we prescribe. You must give notices of trademark and service mark registrations that we specify and obtain business name registrations as required under applicable law. You must place notices at your Franchised Business that state your Franchised Business is independently owned and operated, and we reserve the right to specify where the notices must be placed.

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights in any Mark. You may not communicate with anyone except us and our counsel with respect to any infringement, challenge or claim. We will have sole discretion to take any action we deem appropriate in connection with any infringement, challenge or claim, and we have the

sole right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You must sign any and all instruments and documents, give assistance, and do any acts and things as may in the opinion of our counsel be necessary or advisable to protect and maintain our interests in any litigation or proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for the reasonable out-of-pocket expenses you incur and pay in complying with these requirements; except if any action we take with respect to any claim or proceeding results in any monetary recovery for you which exceeds your costs, then you must pay your own costs and share pro-rata in our costs up to the amount of the monetary recovery.

The Franchise Agreement does not require us to take affirmative action when notified of any infringements of or challenges to the Marks, but we intend to vigorously defend the Marks. We have the right to control any litigation or administrative proceedings involving the Marks. We will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any Mark pursuant to and in compliance with the Franchise Agreement, and for all costs you reasonably incur in the defense of any claim in which you are named as a party, if you have promptly notified us of the claim, have given us sole control of the defense and settlement of the claim and have otherwise complied with your Franchise Agreement. If any action taken by us relating to a claim or proceeding results in any monetary recovery for you which exceeds your costs, then you must pay your own costs and share pro-rata in our costs up to the amount of the monetary recovery.

If it becomes advisable at any time in our sole judgment for you to modify or discontinue the use of any Mark and/or for the Franchised Business to use one or more additional or substitute trade or service marks, you must immediately comply with our directions to modify or otherwise discontinue the use of the Marks and/or to use one or more additional or substitute trademarks, service marks, logos or commercial symbols or substitute trade dress after our notice to you. We are not obligated to reimburse you for any expenses you incur in connection with any discontinuance or modification of a Mark.

As of the date of this Disclosure Document, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

#### **Item 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not have an ownership interest in any patents or registered copyrights that are material to the franchise.

We claim common law copyrights in the Manual, advertising materials, computer works, and similar items used in operating the Hyper Kidz Business. We have not registered these copyrights with the United States Registrar of Copyrights, and we are not required to do so to protect them.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted works. No agreement limits our right to use or license the copyrighted works. Finally, we do not know of any infringing uses which could materially affect your use of the copyrighted works in any state. We are not required by any agreement to protect or defend the copyrighted works except as described below.

In the Franchise Agreement, you acknowledge and agree (1) that we may authorize you to use certain copyrighted or copyrightable works in our discretion, (2) that the copyrighted works are the valuable property of us or our affiliates and of which we or our affiliates are the owner, and (3) that the rights granted to you are solely on the condition that you comply with the terms of the Franchise Agreement. You must acknowledge and agree that we own or are the licensee of the owner of the copyrighted works and will

further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of Hyper Kidz Businesses. Copyrighted works include the Manual and may include all or part of the Marks, trade dress and other portions of the System. We intend that all works of authorship related to the System and created in the future will be owned by us or our affiliates and copyrighted.

Your right to use the copyrighted works is derived solely from the Franchise Agreement and is limited to the use of the copyrighted works in compliance with the Franchise Agreement and all applicable standards, specifications, and operating procedures we prescribe. You must make sure that all copyrighted works used bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws we prescribe specifying that we or an affiliate are the owner of the copyright. The Franchise Agreement does not grant you any interest in the copyrighted works, other than the right to operate the Hyper Kidz Business in compliance with the Franchise Agreement.

You must immediately notify us in writing of any actual or apparent infringement of or challenge to any of the copyrighted works or claim by any person of any rights in the copyrighted works, and you may not communicate with any person other than us and our counsel in connection with any infringement, challenge or claim. We will have the sole discretion to take any action we deem appropriate and the right to control exclusively any settlement, litigation, arbitration or administrative proceeding arising out of any alleged infringement, challenge or claim or otherwise relating to the copyrighted works.

If it becomes advisable at any time for you to modify or discontinue use of any of the copyrighted works and/or for you to use one or more additional or substitute copyrighted or copyrightable items, you agree to immediately comply with our directions to modify or otherwise discontinue the use of the copyrighted materials and/or to use one or more substitute materials, at your expense.

### **Confidential Information**

We possess and will further develop and acquire certain confidential and proprietary information and trade secrets (the “Confidential Information”) including: (1) methods, techniques, specifications, standards, policies, procedures, information, concepts and systems relating to and knowledge of and experience in the development, operation, and franchising of Hyper Kidz Businesses; (2) marketing and promotional programs for Hyper Kidz Businesses; (3) knowledge of specifications for and knowledge of suppliers of certain materials, equipment and fixtures for Hyper Kidz Businesses; (4) operating results and financial performance of Hyper Kidz Businesses; (5) the Operations Manual; (6) the terms of the Franchise Agreement; and (7) all data relating to the sales and operations of your Hyper Kidz Business.

Under the Franchise Agreement we will disclose to you, during training and in guidance and assistance furnished to you, parts of the Confidential Information that you need for the development and operation of a Hyper Kidz Business. You may learn or otherwise obtain from us additional Confidential Information during the term of your Franchise Agreement. You must agree to disclose the Confidential Information to your Principals and employees only to the extent reasonably necessary to operate your Franchised Business.

You and your Principals must acknowledge and agree that the Confidential Information is confidential to and a valuable asset of us and our affiliates, is proprietary, includes trade secrets of us and our affiliates and is disclosed to you on the condition that you, your Principals and your employees who have access to the Confidential Information agree that during and after the term of the agreement you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information; (3) will not make unauthorized copies of any portion of the

Confidential Information disclosed in written or other tangible form; (4) will adopt and implement all reasonable procedures we prescribe to prevent unauthorized use or disclosure of the Confidential Information; and (5) will require all Principals and all employees who have access to the Confidential Information to sign confidentiality and non-competition agreements in the form we prescribe and provide us, at our request, with signed copies of each agreement. We will be a third-party beneficiary of these agreements with the independent right to enforce their terms.

Nothing contained in the Franchise Agreement will be construed to prohibit you from using the Confidential Information in connection with the operation of other Hyper Kidz Businesses under valid Franchise Agreements with us.

If you have obtained our prior written consent, the restrictions on the disclosure and use of the Confidential Information shall not apply to the following: (a) information, methods, procedures, techniques and knowledge which are or become generally known in the indoor recreation business within the Designated Territory, other than through deliberate or inadvertent disclosure by you; and (b) the disclosure of the Confidential Information in judicial or administrative proceedings if you are legally compelled to disclose this information, provided you have notified us in writing before disclosure and used your best efforts to obtain, and afforded us the opportunity to obtain, an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be disclosed.

You must agree to disclose to us all ideas, concepts, promotional materials, methods, techniques and products relating to the development and operation of Hyper Kidz Businesses conceived or developed by you or your employees during the term of the Franchise Agreement. You must grant to us and agree to obtain from your affiliates, Principals or employees a perpetual, non-exclusive and worldwide right to use these new ideas, concepts, promotional materials, methods, techniques and products in all Hyper Kidz Businesses or other businesses operated by us, our affiliates and franchisees. We have no obligation to make any payment with respect to any idea, concept, method, technique or product. You agree that you will not use, nor will you allow any other person or entity to use, any concept, method, technique or product without obtaining our prior written approval.

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

We recommend, but do not require, that you or one of your Principals actively participate in the operation of your Franchised Business. If you or one of your Principals will not be involved in the day-to-day operation of your Franchised Business, your General Manager must devote its full time and best efforts to the operation of your Franchised Business and we may communicate with and rely on the decisions made by your General Manager. Your General Manager must be approved by us and must have satisfactorily completed our initial training program. We do not require that your General Manager or any other personnel have an ownership interest in you or your Franchised Business, which will be at your discretion. In addition, if you are a business entity, we do not require that your General Manager or on premises supervisor have any ownership interest in your business. If your General Manager is replaced for any reason, the new General Manager must be approved by us and must satisfactorily complete our initial training program, at your expense, within 30 days after he or she begins working as your General Manager.

Even if you do not participate in the daily operation of the Franchised Business, you or one of your Principals must satisfactorily complete our initial training program, and you must make sure that the Franchised Business is operated in compliance with the Franchise Agreement, the Manual, and the System.

Your General Manager must be qualified, must complete our training program to our satisfaction, and must pass a rigorous screening test. As described in Item 14, we may require you to obtain confidentiality and/or non-competition agreements from your Principals as well as from some of your key employees, including your General Manager. Your Hyper Kidz Business must be open and operating on the days and during the times we specify in the Manual, unless applicable law or the terms of your lease require different hours.

As stated in Item 1, all of your employees must pass a rigorous screening process. You may not employ anyone who has been convicted of a sex crime or a crime against a child, or who does not otherwise meet our requirements.

If you are a corporation, limited liability company or partnership, each Principal who directly or indirectly owns an equity or voting interest in you must personally sign the Franchise Agreement and/or Multi-Unit Development Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement and/or Multi-Unit Development Agreement. If you are a married individual, your spouse must sign our Spouse Guaranty, which is attached to our Franchise Agreement as Attachment 8.

#### **Item 16: RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL**

You must sell or offer for sale all products and services we require and/or that we have expressly approved in writing, in the manner and style we require. You must not deviate from our standards and specifications without first obtaining our written consent. You must stop selling and offering for sale any products or services that we may disapprove in writing at any time. We have the right to change the types of products and services offered by you at your Hyper Kidz Business at any time, and there are no limits on our right to make those changes. You are prohibited from offering from your Franchised Business any products or services that we have not approved.

You must keep your Hyper Kidz Business very clean and maintain it in good repair and condition. You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, furnishings, equipment, and décor, as we may reasonably direct. You must not make any changes to the premises without obtaining our written consent before you make the changes. You must obtain and pay for any new or additional equipment, including computer hardware and software, fixtures, supplies and other products and materials that you must have to offer and sell new products and services from your Hyper Kidz Business.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12.

#### **Item 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

##### **THE FRANCHISE RELATIONSHIP**

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

Provision	Section or Article in Franchise Agreement	Summary
(a) Length of the franchise term	Section 3.1	10 years
(b) Renewal or extension of the term	Article 17	If you are in good standing as defined below, you can sign a successor agreement for an additional term of 10 years, unless we have determined, in our sole discretion, to withdraw from the geographical area where your Franchise is located.
(c) Requirements for franchisee to renew or extend	Article 17	<p>You may sign the Successor Agreement if you: have substantially complied with the provisions of the Franchise Agreement; have the right to maintain possession of the premises or an approved substitute location for the term of the renewal; have remodeled and/or redecorated as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us, have paid the Successor Agreement Fee; are not currently in default of any provision of the Franchise Agreement or any other agreement between you and us; have given timely written notice of your intent to renew; sign a Successor Agreement; comply with current qualifications and training requirements; and sign a general release</p> <p>You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and 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	None	You may seek termination upon any grounds available by state law.
(e) Termination by franchisor without cause	16.5	The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve.
(f) Termination by franchisor with cause	Article 18	We can terminate if you or any of your Principals fail to comply with the Franchise Agreement or any mandatory specification, standard or operating procedure we prescribe

Provision	Section or Article in Franchise Agreement	Summary
(g) "Cause" defined – curable defaults	Section 18.1	10 days for monetary and reporting defaulting and 15 days for all other curable defaults, but if it cannot be cured within 30 days, begin efforts to cure within 10 days and continue cure efforts until completion
(h) "Cause" defined – non-curable defaults	Section 18.2	(1) Fail to obtain possession of the approved site or develop the Hyper Kidz Business and begin operations within time provided; (2) abandon, surrender or transfer control without our prior written approval; (3) make material misrepresentation or omission on application; (4) conviction of you or any of your Principals of a felony or other crime, offense or misconduct which adversely affects your or our reputation or the goodwill of the Marks or any crime against a child; (5) unauthorized transfer; (6) you or your affiliates or Principals make any unauthorized use, duplication or disclosure of Confidential Information, the Marks, the Copyrighted Works, the Manual or challenge or seek to challenge our rights in any of these items; (7) lose the right to possess the premises and fail to relocate in accordance with the Franchise Agreement; (8) insolvency, receivership or a judgment against you is unsatisfied for more than 30 days; (9) violation by you, or members of your immediate families of the in-term non-compete provision or other non-compete agreement; (10) knowingly maintain false records or submit false reports to us; (11) permit a lease default to go uncured; (12) repeated defaults, whether or not cured, including three notices of curable defaults in a 12 month period; (13) fail to purchase or maintain required insurance; (14) pose a threat to public health or safety; (15) refuse us permission to inspect the Hyper Kidz Business or your books and records; (16) you or any of your affiliates or Principals interfere with our ability to license the Marks or the System to others; (17) you or any of your affiliates or Principals interfere with our contractual relations with others; (18) a Franchise Agreement with you or your affiliates is terminated by us, or is terminated by you in a way that is not in compliance with the Franchise Agreement; (19) you or your Principals fail to comply with anti-terrorism laws

<b>Provision</b>	<b>Section or Article in Franchise Agreement</b>	<b>Summary</b>
(i) Franchisee’s obligations on termination/non-renewal	Article 19	Pay all amounts owed; stop all use of Marks; remove all signs; return to us or destroy all materials containing any Marks; cancel assumed or fictitious name registrations; transfer all domain names, internet listings, social media and software accounts, telephone numbers and telephone listings to us; stop using all copyrighted works; if we do not purchase the Hyper Kidz Business, then you must make any modifications necessary to avoid confusion (de-identify the premises); furnish us evidence of compliance with the above; stop use of Confidential Information; return the complete Manual; comply with post-term covenant not to compete; pay liquidated damages (if applicable)
(j) Assignment of contract by franchisor	Section 16.1	No restriction on our right to assign. However, 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
(k) “Transfer” by franchisee – defined	Section 16.2	Includes transfer of any interest in the Agreement, the Franchise, you, the Hyper Kidz Business and some or all of its assets
(l) Franchisor approval of transfer by franchisee	Sections 16.2 through 16.7	We have the right to approve all transfers

<b>Provision</b>	<b>Section or Article in Franchise Agreement</b>	<b>Summary</b>
(m) Conditions for franchisor approval of transfer	Section 16.3	You and your Principals must be in full compliance with the Franchise Agreement; transferee meets our criteria; transferor signs required documents, including a general release. If the transfer is of the Agreement, a Principal's interest in you or a controlling interest in you, transferee may not engage in a Competitive Business; all amounts due from you and the transferee are paid in full; personnel of transferee sign non-compete and confidentiality agreement; completion of training; transferee and its Principals agree to be bound by all obligations under the Franchise Agreement or sign our then-current form of franchise agreement, at our option; pay Successor Agreement Fee; lessor consents to assignment of lease; we approve the terms and conditions of the transfer; all obligations of the transferee to you are subordinate to us; transferor and you sign non-competition covenant; transferee agrees to upgrade the Hyper Kidz Business to our then-current standards; transferee signs guarantee of obligations under Franchise Agreement; transfer is made in compliance with all laws
(n) Franchisor's right of first refusal to acquire franchisee's business	Section 16.7	We have the right to match offers from third parties to buy an interest in the Franchise Agreement, the Franchise, the Hyper Kidz Business, assets of the Hyper Kidz Business or ownership interests in you
(o) Franchisor's option to purchase franchisee's business	Section 19.6	We have the right to purchase all or a portion of the assets of the Hyper Kidz Business for fair market value on termination in compliance with the Franchise Agreement or on non-renewal
(p) Death or disability of franchisee	Section 16.5	The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within six months to a replacement franchisee that we approve.

<b>Provision</b>	<b>Section or Article in Franchise Agreement</b>	<b>Summary</b>
(q) Non-competition covenants during the term of the franchise	Article 9 and Section 11.7.3	No involvement by you and members of your immediate families in a Competitive Business anywhere. If you are a corporate entity, you may not engage in any business other than the development and operation of Hyper Kidz Businesses. A Competitive Business is a business that offers the same or substantially similar products and services as those offered by a Hyper Kidz Business
(r) Non-competition covenants after the franchise is terminated or expires	Article 9 and Section 19.4	No involvement by you or members of your immediate families in a Competitive Business for two years within 15 miles of the Franchised Business or any other Hyper Kidz Business in the System
(s) Modification of the agreement	Section 22.8	The Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with Manual as amended
(t) Integration/merger clause	Section 22.6	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable federal and/or state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable
(u) Dispute resolution by arbitration or mediation	Section 20	Arbitration in Howard County, Maryland (subject to state law)
(v) Choice of forum	Section 22.5	Howard County, Maryland (subject to state law)
(w) Choice of law	Section 22.5	Maryland (subject to state law)

**THE MULTI-UNIT DEVELOPER RELATIONSHIP**

<b>Provision</b>	<b>Section in Multi-Unit Development Agreement</b>	<b>Summary</b>
(a) Length of the franchise term	Section 6	Length of the minimum performance schedule
(b) Renewal or extension of the term	Section 5	After all Hyper Kidz Businesses have been developed, we will negotiate in good faith another Multi-Unit Development Agreement

Provision	Section in Multi-Unit Development Agreement	Summary
(c) Requirements for multi-unit developer to renew or extend	None	Not applicable
(d) Termination by multi-unit developer	None	You may seek to terminate on any grounds available to you at law
(e) Termination by franchisor without cause	None	Not applicable
(f) Termination by franchisor with cause	Section 9	We can terminate if you commit any one of several listed violations
(g) “Cause” defined – curable defaults	Section 9	If you use the Marks or System without our consent; participating in a Competitive Business; failure to pay money to us when due; you begin developing a Hyper Kidz Business before all of your pre-development obligations are met; failure to obtain our consent when required; you open any Hyper Kidz Business before a Franchise Agreement for that Hyper Kidz Business has been signed
(h) “Cause” defined – non-curable defaults	Section 9	Failure to meet your minimum performance schedule; failure to comply with applicable laws; if all of your Hyper Kidz Businesses stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your Principals of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision)
(i) Multi-unit developer’s obligations on termination/non-renewal	Section 10	You must stop selecting sites for Hyper Kidz Businesses, and you may not open any more Hyper Kidz Businesses
(j) Assignment of contract by franchisor	Section 11	No restriction on our right to assign. However, 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 Multi-Unit Development Agreement
(k) “Transfer” by multi-unit developer – defined	Section 11	Includes transfer of any interest in the Multi-Unit Development Agreement

Provision	Section in Multi-Unit Development Agreement	Summary
(l) Franchisor approval of transfer by multi-unit developer	Section 11	We have the right to approve all transfers, our consent not to be unreasonably withheld
(m) Conditions for franchisor approval of transfer	Section 11	Conditions for transfer include not being in default, at least 25% of all Hyper Kidz Businesses required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new multi-unit developers, you sign a general release, payment of transfer fee, buyer personally guarantees all obligations
(n) Franchisor's right of first refusal to acquire multi-unit developer's business	Section 11	We have the right to match the offer to purchase your business
(o) Franchisor's option to purchase multi-unit developer's business	Not applicable	Not applicable
(p) Death or disability of multi-unit developer	Section 11	Interest must be transferred to an approved party within 12 months
(q) Non-competition covenants during the term of the franchise	Section 12	Can't divert business or operate a Competitive Business anywhere
(r) Non-competition covenants after the franchise is terminated or expires	Section 12	No participation in a Competitive Business for two years and within 15 miles of any Hyper Kidz Business in the System
(s) Modification of the agreement	Section 18	The Multi-Unit Development Agreement may not be modified unless mutually agreed to in writing. You must comply with Manual as amended
(t) Integration/merger clause	Section 18	Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable federal and/or 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 19	Arbitration in Howard County, Maryland (subject to state law)
(v) Choice of forum	Section 19	Howard County, Maryland (subject to state law)
(w) Choice of law	Section 19	Maryland (subject to state law)

### **Item 18: PUBLIC FIGURES**

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

### **Item 19: FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Chinnababu Gudapati at 6120 Syracuse Court, Clarksville, Maryland, 21029, and gudapatichinna@gmail.com, 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 - 2023**

<b>Column 1 Outlet Type</b>	<b>Column 2 Year</b>	<b>Column 3 Outlets at the Start of the Year</b>	<b>Column 4 Outlets at the End of the Year</b>	<b>Column 5 Net Change</b>
Franchised	2021	0	1	+1
	2022	1	1	0
	2023	1	2	+1
Company-Owned	2021	1	1	0
	2022	1	2	+1
	2023	2	2	0
<b>Total Outlets</b>	<b>2021</b>	<b>1</b>	<b>2</b>	<b>+1</b>
	<b>2022</b>	<b>2</b>	<b>3</b>	<b>+1</b>
	<b>2023</b>	<b>3</b>	<b>4</b>	<b>+1</b>

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years For years 2021 - 2023**

<b>Column 1</b> <b>State</b>	<b>Column 2</b> <b>Year</b>	<b>Column 3</b> <b>Number of Transfers</b>
	2021	0
	2022	0
	2023	0
<b>Total</b>	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>

**Table No. 3**  
**Status of Franchised Outlets**  
**For years 2021 – 2023**

<b>Col 1</b> <b>State</b>	<b>Col 2</b> <b>Year</b>	<b>Col 3</b> <b>Outlets at Start of Year</b>	<b>Col 4</b> <b>Outlets Opened</b>	<b>Col 5</b> <b>Terminations</b>	<b>Col 6</b> <b>Non-Renewals</b>	<b>Col 7</b> <b>Reacquired by Franchisor</b>	<b>Col 8</b> <b>Ceased Operations – Other Reasons</b>	<b>Col 9</b> <b>Outlets at End of the Year</b>
MD	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
<b>Total</b>	<b>2021</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2022</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2023</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For years 2021 – 2023**

<b>Col 1</b> <b>State</b>	<b>Col 2</b> <b>Year</b>	<b>Col 3</b> <b>Outlets at Start of Year</b>	<b>Col 4</b> <b>Outlets Opened</b>	<b>Col 5</b> <b>Outlets Reacquired from Franchisee</b>	<b>Col 6</b> <b>Outlets Closed</b>	<b>Col 7</b> <b>Outlets Sold to Franchisee</b>	<b>Col 8</b> <b>Outlets at End of the Year</b>
Maryland	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
<b>Total</b>	<b>2021</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2022</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
	<b>2023</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

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

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Georgia	2	2	0
Illinois	1	1	0
Maryland	1	1	0
Texas	1	1	0
Virginia	2	2	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>0</b>

A list of the names of all franchisees and multi-unit developers and the addresses and telephone numbers of their businesses will be provided in Exhibit F to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit F to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Hyper Kidz System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Hyper Kidz System.

**Item 21: FINANCIAL STATEMENTS**

Boomerang Franchise, LLC was formed on May 14, 2018. Our audited financials from December 31, 2021, December 31, 2022, and December 31, 2023 as well as our unaudited balance sheet and statement of operations as of June 19, 2024 are included in Exhibit D.

Our fiscal year end is December 31.

**Item 22: CONTRACTS**

The following agreements are attached as exhibits to this Disclosure Document:

Franchise Agreement – Exhibit B  
Multi-Unit Development Agreement – Exhibit C

**ITEM 23: RECEIPTS**

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

**EXHIBIT A**

**LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	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) 416-8211 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 <sup>th</sup> Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

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

**EXHIBIT C**

**MULTI-UNIT DEVELOPMENT AGREEMENT**

**EXHIBIT D**  
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**EXHIBIT F**

**LIST OF FRANCHISEES**  
(As of December 31, 2023)

<b>Maryland</b>	<b>Maryland</b>
<u>Owings Mills</u> NR Associates, LLC Raviteja Atluri 2537 Vineyard Springs Way, Ellicott City, MD-21043 (323) 679-3037	<u>Crofton</u> Krishna Hazarika, Anajana Bordio, and Dawnnela Robb 987 Waugh Chapel Way Suites H-M, Gambrills, MD 21054 (443) 716-3100

**FRANCHISEES WHO HAVE LEFT THE SYSTEM**  
(As of December 31, 2023)

None

**FRANCHISEES WHO HAVE SIGNED, BUT ARE NOT OPENED**  
(As of December 31, 2023)

**Maryland**

<u>Hyper Kidz Atlanta 1</u> Yateendra Tummal Prudvi Veeramachaneni Mahesh Erukulla (732 824-9796)	<u>Hyper Kidz Atlanta 2</u> M Anu Oruganti Kavita Vinjamuri Sujatha Srinivas (443 540-4110)
<u>Hyper Kidz Bolingbrook Illinois</u> 137 S Weber Rd, Bolingbrook, IL 60490 Mahesh Erukulla. (480 282-2436) (Opened in 2024)	<u>Hyper Kidz Rockville Maryland</u> Dharmang Mehta Dhaval Vyas Jaimin Patel
<u>Hyper Kidz New Jersey 1</u> Kalpana Upmanyu Shweta Dedhia	<u>Hyper Kidz Dallas</u> Santosh Reddy Ajay Kumar Gorilla
<u>Hyper Kidz Dallas</u> Santosh Reddy Ajay Kumar Gorilla	<u>Hyper Kidz Richmond</u> Courtney Curtis Kennered Courtney Dennis Kemp

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**

**MULTI-STATE ADDENDUM**

**Illinois**

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,  
FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT  
PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT**

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee’s right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law is void.

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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 5 of the FDD and the appropriate sections of the Franchise Agreement are amended to state that the Illinois Attorney General’s Office imposed a Surety Bond requirement equal to the initial fee times the number of franchises to be sold due to Franchisor’s financial condition.

FRANCHISOR:

BOOMERANG FRANCHISE LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

## **Maryland**

### **ADDENDUM REQUIRED BY THE STATE OF MARYLAND**

This will serve as the State Addendum for the State of Maryland for Boomerang Franchise LLC's Franchise Disclosure Document and for its Franchise and Multi-Unit Development Agreements. The amendments to the Franchise and Multi-Unit Development Agreements included in this addendum have been agreed to by the parties.

1. The provision contained in the termination sections of the Franchise Agreement and Multi-Unit Development Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. Item 17 of the Franchise Disclosure Document shall be amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are hereby amended accordingly.

3. The Franchisee Disclosure Acknowledgement Statements are amended to state 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.

4. Item 17 of the Franchise Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise. The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are hereby amended accordingly.

5. Item 17 of the Franchise Disclosure Document and the appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

7. Section 25.2 and Attachment 1 FRANCHISEE ACKNOWLEDGEMENT STATEMENT to the Franchise Agreement and section 21 of the Multi-Unit Development Agreement are removed.

7. Item 5 of the Disclosure Document, Article 10 of the Franchise Agreement, and Section 2 of the Multi-Unit Development Agreement are amended to state, "In the State of Maryland, we have secured a Surety Bond in the amount of \$141,000 from The Ohio Casualty Insurance Company. This Surety Bond requirement has been imposed by the Office of the Attorney General of the State of Maryland based on our financial condition. This Surety Bond is on file with the Maryland Securities Division."

-Remainder of page left intentionally blank-

FRANCHISOR:

BOOMERANG FRANCHISE LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

**ADDENDUM REQUIRED BY THE STATE OF MINNESOTA**

This will serve as the State Addendum for the State of Minnesota for Boomerang Franchise LLC's Franchise Disclosure Document and for its Franchise and Multi-Unit Development Agreements.

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
3. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
8. 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.
9. The State of Minnesota Commerce Department 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.

FRANCHISOR:  
BOOMERANG FRANCHISE LLC

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

\_\_\_\_\_  
FRANCHISEE:

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Boomerang Franchise LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to 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 agreement and development agreement does not constitute “reasonable cause,” as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the

franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

**Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from \$717,800 to \$1,497,500. This amount exceeds the franchisor's stockholder's equity as of December 31, 2022, which is \$25,382.

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.

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.

The parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISOR:  
BOOMERANG FRANCHISE LLC

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

FRANCHISEE:  
\_\_\_\_\_

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

**AMENDMENT TO THE BOOMERANG FRANCHISE LLC**  
**FRANCHISE AGREEMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the requirements of the Virginia State Corporation Commission's Division of Securities and Retail Franchising, the parties to the attached Boomerang Franchise, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Amendment.
2. 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.
3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed this Virginia Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

BOOMERANG FRANCHISE, LLC

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

\_\_\_\_\_  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

PRINCIPAL:

\_\_\_\_\_  
(Print Name)

**AMENDMENT TO THE BOOMERANG FRANCHISE LLC MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the requirements of the Virginia State Corporation Commission’s Division of Securities and Retail Franchising, the parties to the attached Boomerang Franchise, LLC Multi-Unit Development Agreement (the “MUDA”) agree as follows:

1. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Amendment.
2. 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.
3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed this Virginia Amendment to the Multi-Unit Development Agreement on the same date as that on which the Multi-Unit Development Agreement was executed.

FRANCHISOR:

BOOMERANG FRANCHISE, LLC

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

\_\_\_\_\_  
(Print Name, Title)

DEVELOPER:

\_\_\_\_\_

---

(Print Name)

DEVELOPER:

---

---

(Print Name)

## State Effective Dates

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

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

<b>State</b>	<b>Effective Date</b>
California	
Hawaii	
Illinois	<b>PENDING</b>
Indiana	
Maryland	<b>PENDING</b>
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	<b>PENDING</b>
Washington	
Wisconsin	

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

**EXHIBIT H**

**RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF BOOMERANG FRANCHISE, LLC**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Boomerang 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, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Boomerang 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

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

Sangeetha Ramdurai 6120 Syracuse Ct. Clarksville, MD 21029 (443) 416-8290	Chinnababu Gudapati 6120 Syracuse Ct. Clarksville, MD 21029 (443) 540-8888	Bynia Reed 6120 Syracuse Ct. Clarksville, MD 21029 (310) 466-2234
--	---	--

Issuance Date: April 30, 2024

I received a Disclosure Document dated April 30, 2024, that included the following Exhibits:

- EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
- EXHIBIT B: Franchise Agreement with Attachments
- EXHIBIT C: Multi-Unit Development Agreement
- EXHIBIT D: Financial Statements of Boomerang Franchise, LLC
- EXHIBIT E: Operations Manual Table of Contents
- EXHIBIT F: Outlets as of the date of this Disclosure Document
- EXHIBIT G: State Addenda
- EXHIBIT H: Receipt

Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

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

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

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

Please return signed receipt to Boomerang Franchise LLC,  
6120 Syracuse Court  
Clarksville, Maryland, 21029

**EXHIBIT H**

**RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF BOOMERANG FRANCHISE, LLC**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Boomerang 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, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Boomerang 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

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

Sangeetha Ramdurai 6120 Syracuse Ct. Clarksville, MD 21029 (443) 416-8290	Chinnababu Gudapati 6120 Syracuse Ct. Clarksville, MD 21029 (443) 540-8888	Bynia Reed 6120 Syracuse Ct. Clarksville, MD 21029 (310) 466-2234
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Issuance Date: April 30, 2024

I received a Disclosure Document dated April 30, 2024, that included the following Exhibits:

- EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
- EXHIBIT B: Franchise Agreement with Attachments
- EXHIBIT C: Multi-Unit Development Agreement with Attachments
- EXHIBIT D: Financial Statements of Boomerang Franchise, LLC
- EXHIBIT E: Operations Manual Table of Contents
- EXHIBIT F: Outlets as of the date of this Disclosure Document
- EXHIBIT G: State Addenda
- EXHIBIT H: Receipt

Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

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

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

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**KEEP FOR YOUR RECORDS**