

FRANCHISE DISCLOSURE DOCUMENT



Snapology, LLC,
a Pennsylvania limited liability company
2350 Airport Freeway, Suite 505
Bedford, Texas 76022
817.241.5831
letstalk@snapology.com
www.snapology.com
www.snapologyfranchising.com

You will operate a business that provides curriculum-based courses, events and hands on learning experiences using LEGO® brand bricks, K’Nex® brand toys, their substitutes and other building toys, robotics, animation, coding and engineering techniques, services, and products under the SNAPOLOGY name and trademarks.

The total investment necessary to begin operation of a ~~home-based~~ mobile Snapology business ranges from ~~\$73,650~~75,250 to ~~\$103,600~~105,800. This includes \$62,000 to \$70,000 that must be paid to the franchisor or its affiliates. The investment necessary to begin operation of a Snapology retail center ranges from ~~\$328,100~~405,950 to ~~\$611,800~~541,500. This includes \$79,500 to \$87,500 that must be paid to the franchisor or its affiliates. The investment necessary to begin operation of a Snapology business co-branded with and located within an affiliate brand’s premises ranges from ~~\$132,500~~139,000 to ~~\$202,900~~195,100. This includes \$79,500 to \$87,500 that must be paid to the franchisor or its affiliates.

We may offer to enter into a development agreement to establish and operate up to three Snapology Businesses at specific locations under individual franchise agreements. The total investment necessary under the development agreement for two to three Snapology Businesses ranges from ~~\$260,250~~278,000 to ~~\$1,821,150~~624,500. This includes \$152,650 to \$248,250 that must be paid to the franchisor 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 this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different forms, contact Joshua Wall, Chief Growth Officer, Unleashed Services, LLC, 2350 Airport Freeway, Suite 505, Bedford, Texas 76022, 817.241.5831 or by email at josh.wallfranchising@unleashedbrands.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1.877.FTC.HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov 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 ~~28, 2023~~30, 2024.

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Snapology, LLC, the franchisor of the Snapology franchise system, is referred to in this disclosure document (“Disclosure Document”) as “Franchisor,” “we,” “us,” or “our” as the context requires. A franchisee is referred to in this Disclosure Document as “Franchisee,” “you,” and “your” as the context requires. If the Franchisee is a business entity, the term “Owners” means the person(s) identified in the franchise agreement as owners of the Franchisee and all other persons whom we may subsequently approve to acquire an interest in the franchise. Owners holding more than a ten percent equity interest will have certain personal obligations as described in this disclosure document. If any Owner is a business entity, then the term “Owner” also includes the owners of that business entity

THE FRANCHISOR AND ITS PARENTS, PREDECESSORS, AND AFFILIATES

We are a Pennsylvania limited liability company established on March 10, 2015, and our principal business address is 2350 Airport Freeway, Suite 505, Bedford, Texas 76022. We conduct business under our corporate name, Snapology, LLC, and under “SNAPOLOGY.” ~~We also own and operate a Snapology Discovery Center at 1350 Old Pond Road, Bridgeville, Pennsylvania 15017 (the “Corporate Store”).~~ Our registered agents for service of process are disclosed in Exhibit B of this Disclosure Document.

We began offering SNAPOLOGY franchises in 2015. We have not conducted business in any other line of business and we have not offered or sold franchises in any other line of business. We also have certain license agreements granting third party licensees the right to develop and operate Snapology Businesses, which we no longer offer since 2015. We disclose and identify Snapology licensees as franchised outlets in Item 20 of this Disclosure Document. The licensees that previously entered into license agreements have different obligations, responsibilities and rights from those obligations, responsibilities and rights that will exist under the franchise agreement that is the subject of this Disclosure Document.

Except as previously discussed, we do not conduct a business of the type to be operated by you as a Snapology franchisee. We have no predecessor. Our affiliates, as disclosed below, conduct a Snapology business and conduct business in other lines of business that also include the offer and sale of franchises.

Our affiliate Snapology IP, LLC is a Pennsylvania limited liability company established on March 10, 2015. This affiliate has granted a license to us to use the Proprietary Marks (defined below) and the System (defined below) in connection with the license, operation, and grant of SNAPOLOGY franchises and the www.Snapology.com website. Our affiliate Snapology International, LLC is a Pennsylvania limited liability company established on May 23, 2017. This affiliate has been granted a license by our affiliate Snapology IP, LLC where this affiliate offers and sells franchises and licenses for third parties to use the Proprietary Marks and System internationally outside of the United States. ~~Our affiliate Sisters Operations Support, LLC, a Pennsylvania limited liability company established on May 23, 2017, currently serves as the landlord for the Corporate Store, and previously managed certain required software that our franchisees used.~~ These affiliates share our principal business address.

Our affiliate FM SnapTLGI, LLC, a Delaware limited liability company established on November 30, 2021, operates a Snapology Discovery Center at 5801 Long Prairie Rd, Suite 380, Flower Mound, Texas 75028, which is its principal business address. Our affiliate Fort Worth Urban Air, LLC, a Texas limited liability company established on August 29, 2016, operates a Snapology Classroom at 9157 Harmon Rd, Fort Worth, TX 76177, which is its principal business address.

You will not directly conduct business with Snapology IP, LLC, Snapology International, LLC, Fort Worth Urban Air, LLC, or FM SnapTLGI, ~~LLC, or Sisters Operations Support, LLC~~, and these affiliates have not in the past and do not now offer franchises in any lines of business.

On July 14, 2021, through the acquisition of our membership interest, we became a wholly owned subsidiary of Unleashed Brands, LLC (“Unleashed Brands”). Unleashed Brands’ parent company is

Leviathan Intermediate Holdco, LLC, which is owned by UA Holdings, LLC (“UA Holdings”), which we consider our parent company. Unleashed Brands Foundation, the charitable affiliate of Unleashed Brands, is a Texas based nonprofit corporation which conducts certain charitable activities. Unleashed Brands, Leviathan Intermediate Holdco, LLC, Unleashed Brands Foundation, and UA Holdings share our principal business address. ~~UA Holdings~~Unleashed Brands guarantees our performance of obligations under the Franchise Agreement and Development Agreement. You will not directly conduct business with these affiliates, who share our principal business address.

We have affiliates that offer franchises in other lines of business. All of the affiliates listed below have the same business address as us:

- UATP Management, LLC (“UATP”) offers URBAN AIR ADVENTURE PARK franchises, which are venues for recreational activities, birthday parties, and other group events featuring the Adventure Park Attraction package. UATP began offering franchises in May 2013 and had ~~462~~179 franchises as of December 31, ~~2022~~2023. UATP Canada Franchising, Ltd., a British Columbia corporation, offers these franchises in Canada.
- TLGI, LLC (“TLGI”) offers THE LITTLE GYM franchises which provide physical fitness, recreational gymnastics, motor skills development, and other programs for children under The Little Gym name and trademarks. TLGI began offering franchises in September 1992 and had ~~173~~185 franchises as of December 31, ~~2023~~2022.
- Premier Franchising Group, LLC (“PMA”) offers PREMIER MARTIAL ARTS franchises, which are martial arts studios for self-defense and character development. PMA began offering franchises in April 2018 and had ~~243~~213 franchises as of December 31, ~~2023~~2022. Our affiliate PMA IP, LLC is the owner of certain trademarks and intellectual property associated with the PREMIER MARTIAL ARTS franchises.
- Class 101 Franchise, LLC (“Class 101”) offers CLASS 101 franchises, which provide advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college. On April 11, 2022, Class 101 acquired the assets of Class 101, Inc., which began offering franchising in June 2007 and had ~~49~~55 franchises as of December 31, ~~2023~~2022. Our affiliate Class 101 Franchise IP, LLC is the owner of certain trademarks and intellectual property associated with CLASS 101 franchises.
- XP League Franchise, LLC (“XPL”) offers XP LEAGUE franchises which follow traditional youth sports formats delivering values and life skills learned in coach-led athletics in an esports format, for elementary and middle school aged children. On April 21, 2022, XPL acquired certain assets of XP League, LLC, which began offering franchises in August 2020, and had ~~334~~1 franchises as of December 31, ~~2023~~2022. XP League Franchise, LLC is the owner of certain trademarks and intellectual property associated with XP LEAGUE franchises.
- Sylvan Learning, LLC (“Sylvan”) offers learning center franchises with a system designed for specialized assessment and teaching of individualized educational programs for children in the principal areas of reading, mathematics, writing, and test preparation, and portable SylvanSync and Sylvan-branded learning environment individualized for children, using proprietary SylvanSync computer systems, under the trademarks SYLVAN, SYLVAN LEARNING, and SYLVANSYNC. Sylvan’s predecessors began offering variations of the Sylvan franchises since 1979, and Sylvan had 474 franchises as of December 31, 2023.
- Our affiliate, Unleashed Services, LLC (“Unleashed Services”), provides executive management services to us, UATP, TLGI, PMA, Class 101, Sylvan, and XPL, but Unleashed Services does not offer franchises in any line of business.

You will not conduct business directly with UATP, TLGI, PMA, Class 101, XPL, or XPLSylvan (each an “Affiliate Brand”), unless you decide to co-brand with an Affiliate Brand. If you decide to co-brand the premises of your Snapology franchise with an Affiliated Brand, you will be offered a separate franchise disclosure document of your desired Affiliate Brand and will be required to sign a separate franchise agreement for that Affiliate Brand. Other than the above, we do not have any affiliates which offer or sell goods or services to our franchisees, and no other parent, predecessor, and affiliates offer franchises in this or any other lines of business.

THE FRANCHISED BUSINESS

We franchise a system (the “System”) for the operation of a Snapology business (“Snapology Business”) that provides curriculum based programs, events, and workshops (the “Services”) for children and adults using LEGO® brand bricks, K’Nex® brand toys, their substitutes and other building toys, robotics, animation, coding and engineering techniques using our proprietary curriculum, course guides, program materials and such other programs, materials, equipment and products that we may designate (the “Curriculum”).

When you purchase a Snapology, you will enter into a franchise agreement in the form attached to this Disclosure Document as Exhibit E (the “Franchise Agreement”) to develop and operate your Snapology Business within a designated Protected Area and in conformity with the requirements of our System (the “Franchised Business”). At the time of signing the Franchise Agreement we will designate whether your Snapology Business will be established and operated as a Mobile Snapology, as a Discovery Center, or as a Classroom:

(a) Mobile Snapology Business – a mobile Snapology Business that offers and provides Services on a mobile basis at third-party sites (“Third Party Sites”), such as schools, community centers, and commercial locations, that are authorized by us and that are located within the franchisee’s designated Protected Area (a “Mobile Snapology”). If permitted by law, a Mobile Snapology may be administratively managed from a franchisee’s home (an “Office”) provided that no Services are offered or provided from such home Office;

(b) Snapology Discovery Center 2.0 – a Snapology Business that is established and operated from a permanent, retail storefront location with a unified design concept offering and providing Services on-site at the location of the Discovery Center on a full-time basis and regularly scheduled hours that we designate (generally, a “Discovery Center” or “Discovery Center 2.0”). Discovery Center franchisees may also offer Services on a mobile basis at authorized Third Party Sites located within the franchisee’s designated Protected Area. The business model for Snapology discovery centers has changed over time, and previous versions did not include certain services and party rooms, among other key features, which are now offered by Discovery Center 2.0, as described in this Disclosure Document. The previous versions of the Snapology Discovery Center (collectively, “Discovery Center 1.0”) are no longer offered in this Disclosure Document; or

(c) Snapology Classroom within an Affiliate Brand – a Snapology Business that is established and operated within a designated area in an Affiliate Brand’s franchised business (a “Snapology Classroom” or “Classroom”). Snapology Classroom franchisees may also offer Services on a mobile basis at authorized Third-Party Sites located within the franchisee’s Snapology Protected Area (defined below, see Item 12). If you decide to co-brand within the premises of an Affiliate Brand franchised business, you are required to already have an existing Affiliate Brand franchise agreement in place or execute an Affiliate Brand franchise agreement at the same time as your Snapology Franchise Agreement. The offer for any Affiliate Brand franchise is made under a separate franchise disclosure document and you must meet such Affiliate Brand’s separate franchisee qualifications. If you sign a Snapology Franchise Agreement to operate a Classroom, you will operate the Classroom portion of your business according to the Snapology Franchise Agreement and the System. You may also operate your Franchised Business as a Mobile Snapology within the assigned Snapology Protected Area (defined in Item 12) at any time. This means you will be subject to

INDUSTRY SPECIFIC LAWS

You must follow local and state laws, orders, and ordinances. We strongly encourage you to investigate the local, state, and federal laws that may apply to your Snapology Business and that you investigate local requirements relating to your ability to offer after-school programs and to market and promote the Franchised Business to local schools within your territory. You should check with your local attorney for advice on complying with applicable law before you purchase a franchise and during the operation of your Snapology Business. You must investigate and satisfy and stay current on all local, state, and federal laws and regulations since they vary from place-to-place and can change over time.

ITEM 2 BUSINESS EXPERIENCE

SNAPOLOGY

Nancy Bigley - President: Nancy has served as our President since April 2023 in ~~Scottsdale, Arizona~~, ~~Bedford, Texas~~. She also serves as the President for TLGI, and has held that position since October 2021 in ~~Scottsdale, Bedford, Texas~~, ~~Arizona~~. Previously, for Twist Brands, LLC, Nancy served as the Chief Executive Officer from July 2021 to October 2021, and as Chief Operating Officer of from November 2020 to July 2021 in Mandeville, Louisiana. Previously, she served as Chief Operating Officer of Painting with a Twist, LLC from October 2018 to November 2020 in New Orleans, Louisiana. From March 2011 to October 2018, Nancy served as the Chief Executive Officer, President and Co-Owner of Bottle & Bottega, Inc. in Chicago, Illinois.

Laura Coe – Founder and Brand Ambassador: Laura Coe is our founder and currently our Brand Ambassador in Bridgeville, Pennsylvania, ~~and has held this position since May 2023~~. She has previously served as our President from March 2015 to April 2023 in Bridgeville, Pennsylvania. Laura has been the President of Snapology Affiliated Services, LLC from May 2015 to July 2021, Sisters Operations Support, LLC since May 23, 2017, and Snapology International, LLC since May 23, 2017, all in Bridgeville, Pennsylvania.

Kelly Carpenter – Vice President of Operations and Training: Kelly Carpenter has served as our Vice President of Operations and Training since January 2022 in Bridgeville, Pennsylvania. Previously, she served as the Director of Operations from January 2019 to January 2022 in Bridgeville, Pennsylvania. From September 2015 to January 2019, Kelly was the Outreach Coordinator and the Operating Manager for Snapology of Pittsburgh in Pittsburgh, Pennsylvania.

UNLEASHED SERVICES

Michael Browning, Jr. – Chief Executive Officer: Michael Browning, Jr. has been the Chief Executive Officer of both Unleashed Brands and Unleashed Services since July 2021 in Bedford, Texas. He is one of co-founders of UATP and has served as UATP's Chief Executive Officer from its inception in May 2013 to June 2021 in Bedford, Texas. Michael also served as the Chief Executive Officer of UA Attractions, LLC from May 2018 to October 2021 in Bedford, Texas. Previously, he served as the Manager of Southlake Urban Air, LLC from March 2011 to December 2018 in Southlake, Texas; Mansfield Urban Air, LLC from January 2013 to September 2020 in Mansfield, Texas; Frisco Urban Air, LLC from May 2013 to February 2019 in Frisco, Texas; Garland Urban Air, LLC from March 2015 to July 2020 in Garland, Texas; Coppell Urban Air, LLC from March 2015 to July 2020 in Coppell, Texas; and Fort Worth Urban Air, LLC since August 2016 in Bedford, Texas. Michael ~~was a Member of UATP IP, LLC from October 2013 to March 2018~~ and has been a Manager of UATP Holdings, LLC since 2015, ~~and served in both positions~~ in Bedford, Texas.

Stephen Polozola – Chief Legal Officer: Stephen Polozola has served as the Chief Legal Officer of

Unleashed Services since July 2021 in Bedford, Texas. Stephen is one of the co-founders and has served as the Executive Vice President and General Counsel of UATP since its inception in May 2013 to June 2021 in Bedford, Texas. He has served as a Manager of UATP Holdings, LLC since July 2015 and has served as a Vice President of UATP IP, LLC since October 2013 in Bedford, Texas. ~~He was licensed to practice law in the state of Texas in November 2000 and remains in good standing with the State Bar of Texas. Also, Stephen has served as President of Adventis Insurance, Inc. since March 2020. Prior to his affiliation with UATP, Stephen was a shareholder at Decker Jones, PC in Fort Worth, Texas, where he practiced law from April 2007 to June 2017.~~

Joe Luongo – Chief Operating Officer: Joe Luongo has served as the Chief Operating Officer of Unleashed Services since April 2022 in Bedford, Texas. Since June 2019, he also serves as Chairman of the Board for WellBiz Brands and previously served as Executive Chairman from October 2017 to June 2019 in Englewood, ~~CO~~Colorado.

Scott Perry – Chief Financial Officer: Scott Perry has served as the Chief Financial Officer at Unleashed Services since July 2021 in Bedford, Texas. Before this position, he served as the Chief Financial Officer and Executive Vice President of UATP from March 2019 to June 2021. Previously, he was a Member of Laguna Woods Consulting, LLC from September 2018 to March 2019 in Austin, Texas. ~~Scott was the Chief Financial Officer and Treasurer of Sport Clips, Inc. from November 2014 to July 2018 and Vice President of Finance and Treasurer from November 2006 to November 2014 in Georgetown, Texas.~~

Jessica Correa – Chief Marketing Officer: Jessica Correa has served as Unleashed Services' Chief Marketing Officer since July 2021 in Bedford, Texas. Previously, she served as the Chief Marketing Officer from August 2019 to June 2021. Prior to joining UATP, Jessica served as Head of Marketing for Planet Fitness in Hampton, New Hampshire from November 2014 to May 2018.

JoshJoshua Wall, CFE – Chief Growth Officer: ~~JoshJoshua~~ Wall has been the Chief Growth Officer of Unleashed Services since July 2021 in Bedford, Texas. From June 2019 to June 2021, Josh Wall served as UATP's Executive Vice President and Chief Franchise Officer ~~responsible for the growth and development of the brand and franchise relationships.~~ Previously, Josh served as the Chief Development Officer for Christian Brothers Automotive Corporation in Houston, Texas from January 2018 to June 2019.

Chris Andrews – Chief Information Officer: Chris Andrews has been the Chief Information Officer of Unleashed Services since May 2022 in Bedford, Texas. Previously, from May 2019 to May 2022, he was the Chief Information Officer of Smoothie King in Coppell, Texas. From November 2018 to May 2019, he served as the Chief Information Officer at Pei Wei in Dallas, Texas. From July 2017 to November 2018, he served as the Vice President of Technology at Pei Wei in Phoenix, Arizona.

~~Jessica Correa – Chief Marketing Officer: Jessica Correa has served as Unleashed Services' Chief Marketing Officer since July 2021 in Bedford, Texas. Previously, she served as the Chief Marketing Officer from August 2019 to June 2021. Prior to joining UATP, Jessica served as Head of Marketing for Planet Fitness in Hampton, New Hampshire from November 2014 to May 2018.~~

Diane Sanford, SHRM-SCP – Chief People Officer: Diane Sanford has served as the Chief People Officer at Unleashed Services since March 2023 in Bedford, Texas. Previously, she was the Chief People Officer at Local Favorite Restaurants in Dallas, Texas from May 2022 to March 2023. Before this role, she served as the Chief People Officer at On the Border Mexican Grill & Cantina from December 2014 to April 2022 in Irving, Texas.

Ryan Slemmons – Chief Development Officer: Ryan Slemmons has served as ~~our~~the Chief Development Officer at Unleashed Services since April 2023 in Bedford, Texas. From July 2021 to April 2023, he served as Vice President, Global Real Estate and Development at Game Stop in Dallas, Texas. Previously, from September 2014 to July 2021, he held various positions with Amazon, most recently serving as Head of Real Estate – Amazon Go, Amazon Style, and New Concepts in Dallas, Texas.

~~Danny Boruff – Senior Vice President of Supply Chain: Danny Boruff has served as the Senior Vice President of Supply Chain at Unleashed Services since January 2023 in Bedford, Texas. Previously, he served as the Senior Vice President of Supply Chain at UATP from April 2021 to December 2022. Prior to this position, he served as the Head of Supply Chain at Cotton Patch Café from June 2020 to March 2021 in Southlake, Texas. During his time at JMC Restaurant Distribution (Cicis Pizza) in Coppell, Texas, from January 2016 to October 2019, he served as the Vice President of Supply Chain.~~

Eric Schechterman, CFE – Vice President of Franchise Finance: Eric Schechterman has served as ~~our~~the Vice President of Franchise Finance at Unleashed Services since April 2023 in Bedford, Texas. Previously, from April 2011 to February 2023, he held several positions with Benetrends Financial, most recently serving as Chief Development Officer in Philadelphia, Pennsylvania. He currently also serves as Senior Advisor to Lander Analytics, and has held that position since January 2014 in New York, New York.

James Franks – Vice President of Franchise Recruitment: James Franks has been the Vice President of Franchise Recruitment at Unleashed Brands/Services since December 2021 in Bedford, Texas. James has also served as the Vice President of Franchise Recruiting at UATP since November 2019 in Bedford, Texas, and currently holds that position. He was the founder and CEO of The Franks Group in Dallas, Texas from January 2016 to November 2019.

ITEM 3 LITIGATION

In the Matter of Snapology Community Programs, L.P. and its successor Snapology, LLC, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2015-0429. As a result of an investigation into the franchise related activities of Snapology Community Programs, L.P. and its successor Snapology, LLC, the Maryland Securities Commissioner (“Commissioner”) concluded that grounds existed to allege that Snapology violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of a Snapology franchise. In responding to inquiries from the Maryland Securities Division, Snapology acknowledged that, during the time it was not registered to offer and sell franchises in Maryland, it entered into two separate License and Training Service Agreements in Maryland that the Commissioner concluded constituted the sale of two franchises. Snapology represented that it has offered rescission to one of those franchisees. On January 15, 2016, the Commissioner and Snapology entered into a consent order whereby Snapology, without admitting or denying any violations of the law, agreed to: immediately and permanently cease from the offer and sale of franchises in violation of the Maryland franchise law; complete registration of its franchise offering in Maryland; and, offer rescission to the remaining franchisee who was sold a franchise in Maryland while Snapology was not registered with the State.

TLGI:

~~Joleviev, LLC, Tiffany Cianci, and Ryan Cianci v. TLGI, LLC, Unleashed Brands, LLC, and Stephen Polozola, American Arbitration Association, Case No. 01-22-0002-1897. On May 20, UATP:~~

~~UATP Management, LLC v. Leap of Faith Adventures, LLC, District Court of Tarrant County, Texas Case No. 017-300796-18. On July 9, 2018, UATP filed this lawsuit (“Petition”) against the defendant Leap of Faith Adventures, LLC (“LOFA”), that, at the time of filing, was a distributor and installer of attractions used in Urban Air Adventure Parks. UATP claimed that LOFA had stopped paying UATP rebates on revenue LOFA received from selling attractions to UATP franchisees, alleging breach of contract and tortious interference and have since added a fraud and fraudulent inducement claims. UATP is seeking compensatory damages in excess of \$6.5 million on its various claims, attorneys’ fees, and costs. LOFA answered UATP’s Petition on August 13, 2018 and filed a counterclaim on October 31, 2018. LOFA~~

alleged, among other things, conversion, breach of contract, interference with business relationships, violation of the Texas Theft Liability Act, and theft of trade secrets arising primarily from UATP's alleged interference with LOFA's contracts with its franchisees and relationships with other entities, all for the supposed purpose of bringing in house, to the exclusion of LOFA, the installation of attractions at Urban Air Adventure Parks. LOFA seeks unspecified compensatory and exemplary damages, equitable relief, and attorneys' fees. On March 29, 2019, the Court granted UATP's motion to dismiss certain of LOFA's counterclaims, in particular the trade secrets claim. After UATP appealed the Court's order, the Court of Appeals on May 4, 2021, dismissed additional claims asserted by LOFA, leaving only claims for, among other things, interference with contracts and business relationships with UATP's franchisees, conversion, breach of contract, and violation of the Texas Theft Liability Act. Before the Appellate Court's ruling, LOFA filed its own new petition on September 10, 2020, against certain of UATP's affiliates and principals, including Michael Browning, Jr. and Stephen Polozola, which was consolidated with the lawsuit described in this paragraph. In an effort to resolve the matter and bring it to a final conclusion, the case was dismissed with prejudice following the execution of a confidential settlement agreement, wherein UATP Management, LLC and Leap of Faith Adventures, LLC released all claims against each other without admission of any liability in exchange for a one-time payment of five million dollars to Leap of Faith Adventures, LLC.

~~2022, TLGI, LLC terminated Joleyvie, LLC's franchise agreement (the "Joleyvie Franchise Agreement") for failing to timely pay royalty and advertising fees. On May 23, 2022, claimants initiated an arbitration challenging the validity of the termination of the Joleyvie Franchise Agreement. On October 4, 2022, claimants filed an amended demand for arbitration against respondents for breach of contract, tortious interference, trespass, libel, defamation, invasion of privacy, and breach of fiduciary duty and duty of loyalty, and sought an unspecified amount of damages. On October 2022, respondents filed a counterclaim alleging trademark infringement, false designation of origin and unfair competition, copyright infringement, misappropriation of proprietary and confidential information and unfair competition, and breach of contract, and requested a permanent injunction and treble damages. On June 8, 2023, the arbitrator issued an Interim Award that ruled in favor of TLGI, LLC and the other respondents, rejected all of the claimants' material allegations against the respondents, and awarded the claimants no monetary damages. In its ruling, the arbitrator concluded that (i) TLGI, LLC's termination of the Joleyvie Franchise Agreement was valid and justified, (ii) the claimants in fact had breached their post-termination obligations and needed to return confidential and proprietary manuals and other relevant materials to TLGI, LLC, (iii) the post-term non-compete in the Joleyvie Franchise Agreement was enforceable and the claimants therefore needed to cease all competitive activities immediately, and (iv) TLGI, LLC and the other respondents were the prevailing parties and were entitled to recover their attorneys' fees and the costs of arbitration.~~

PMA:

The Commissioner of Financial Protection and Innovation v. Premier Franchising Group, LLC doing business as Premier Martial Arts International and/or Premier Martial Arts. On November 18, 2021, wePMA entered into a consent order with the California Commissioner of Financial Protection and Innovation related to four licensees of PMAI. The Commissioner found that PMAI offered and sold at least four franchises in California without being registered with the Commissioner or exempt, in violation of Section 31110 of the California Franchise Investment Law. The Commissioner further found that we and PMAI willfully omitted to state in subsequent franchise registration applications the material fact that PMAI had at least four California studios, in violation of Section 31200 of the California Franchise Investment Law. Pursuant to the consent order, we agreed to (1) refrain from violating Sections 31110 and 31200, (2) pay a \$10,000 administrative penalty, (3) file a post-effective Amendment updating ~~our~~PMA's current registration to include the consent order, and (4) disclose the existence of each and every California studio in Item 20 and in the exhibit list of current and former franchisees in any PMA disclosure document filed with the Commissioner moving forward.

~~*William Anthony, et al. v. Van Over, et al.*, U.S. District Court for the Eastern District of Tennessee, Knoxville Division, Case No. 3:22ev416. On or about November 18, **Class 101**:~~

~~Unleashed Services, LLC vs. Tom Pabin vs. Josh Wall, pending in the 48th Judicial District of Tarrant County, Texas, bearing Cause No. 48-346174-23. On September 18, 2023, Unleashed Services, LLC (“Unleashed”) filed its Original Petition against Thomas Pabin (“Pabin”) requesting the issuance of a Declaratory Judgment to construe the terms of Mr. Pabin’s employment agreement and the rights, duties, status, and legal relations of Unleashed and Pabin under such employment agreement. On February 22, 2024, Pabin, in response to Unleashed’s Motion to Dismiss the claims asserted in Pabin’s Counterclaim and Third-Party Petition, filed his First Amended Counterclaim against Unleashed and Third-Party Petition against Josh Wall. Within this Counterclaim and Third-Party Petition, Pabin has alleged (1) Unleashed breached the employment agreement and Pabin is entitled to a severance payment; (2) breach of contract/promissory estoppel against Unleashed and Wall related to the subject asset purchase agreement (“APA”) and payment of a potential earnout; (3) fraud as against Unleashed and Wall related to the calculation of the earnout set forth in the APA; (4) indemnification as against Unleashed and (5) requested a declaratory judgment interpreting the rights, duties, status, and legal relations of the parties under the APA and employment agreement. Unleashed strongly denies all allegations asserted against it and Wall and believes no sums are due Pabin under the applicable agreements.~~

~~2022, a number of franchisee groups, comprised of both individual owners and operating entities, filed this lawsuit (“Lawsuit”) against Barry Van Over (PMA’s Brand Ambassador), Myles Baker (PMA’s Vice President), Premier Franchising Group, LLC d/b/a Premier Martial Arts (“PFG”), and Unleashed Brands. FastLane, LLC and Brent Seebohm, who formerly acted as franchise sales brokers for PFG, were also named as defendants. The Lawsuit alleges that the defendants made misrepresentations in connection with the franchise sales process, including as to the profitability of studios, the number of employees needed to operate studios, PFG’s systems, and that franchises could be run “semi-absentee.” The Plaintiffs’ complaint asserts claims for violation of the Racketeering Influenced and Corrupt Organizations Act, fraud, misrepresentation, negligence, fraudulent inducement, breach of contract, breach of the duty of good faith and fair dealing, civil conspiracy, unjust enrichment, negligence, various statutory claims, and a claim for declaratory judgment. The Plaintiffs seek compensatory damages in excess of \$50 million, attorneys’ fees, treble, statutory and/or punitive damages as permitted by law, declaratory relief, injunctive relief, and interest. PFG has filed a motion to compel arbitration and intends to vigorously defend Plaintiffs’ claims.~~

~~*Lloyd Capanna et al vs. Premier Martial Arts International, LLC et al.*, pending before the American Arbitration Association, Case No. 01-22-0005-2895. On or about December 19, 2022, Claimants filed a demand for arbitration against the Respondents asserting misrepresentations were made in connection with the franchise sales process. The Claimants’ demand asserts claims for violation of the Racketeering Influenced and Corrupt Organizations Act, fraud, misrepresentation, breach of contract, breach of the duty of good faith and fair dealing, unjust enrichment, and various statutory claims. The Plaintiffs seek actual and compensatory damages, attorneys’ fees, special, enhanced, and exemplary damages as permitted by law, declaratory relief, injunctive relief, and interest. Premier Martial Arts International, LLC and the various Respondents intend to vigorously defend Claimants’ claims.~~

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

INITIAL FRANCHISE FEE

When you sign a Franchise Agreement, you must pay us a non-refundable initial franchise fee (the “Initial Franchise Fee”). The amount of your Initial Franchise Fee depends on the type of Snapology Business you purchase. For a Mobile Snapology, the Initial Franchise Fee is \$40,000. For a free-standing Discovery Center or a Snapology Classroom, this Initial Franchise Fee is \$47,500. The Initial Franchise Fee is fully earned by us upon payment. Except for the ~~discount~~differences described below, the Initial Franchise Fee is uniform for all franchisees.

INITIAL INVENTORY; ~~PROGRAM SUPPLIES AND EQUIPMENT PACKAGE~~

Prior to the opening of your Snapology Business, you will be required to pay us between \$12,000 and \$20,000 for your initial inventory ~~of initial program supplies and equipment package~~ required to open your Snapology Business. This fee is fully earned by us upon payment and is non-refundable.

GRAND OPENING EXPENDITURES

In preparation for the grand opening of your Snapology Business, you must pay to us or our affiliate a minimum of \$10,000 for a Mobile Snapology or \$20,000 for a Discovery Center or Classroom. We or our affiliate collect your grand opening fees and distribute to third-party designated service providers to conduct your grand opening. This grand opening advertising program (“Grand Opening Advertising”) will be administered according to a schedule we determine on a case-by-case basis and may generally commence one month before your grand opening and last two to three months thereafter. This fee is fully earned by us upon payment and is non-refundable.

DEVELOPMENT AGREEMENT

If we award you multi-unit development rights, you must sign our Development Agreement and pay us a development fee (the “Development Fee”) for development of Discovery Centers or Snapology Classrooms, pursuant to the below schedule:

Number of Snapology Businesses	Development Fee for Each	Total Development Fee
1	\$47,500	\$47,500
2	\$42,750	\$90,250
3	\$38,000	\$128,250

The minimum commitment is two Snapology Businesses, and the maximum commitment is three Snapology Businesses. The Development Fee that you must pay under the Development Agreement includes the initial franchise fee payable by you for the franchise agreements to be developed. The Development Fee will be due in a lump sum payment upon the signing of the Development Agreement. The Development Fee is fully earned and non-refundable. The Development Fee is uniform for all Developers, except for the discount below.

VETERAN’S INCENTIVE

INCENTIVES

We offer a 5% ~~discount off~~reduction of the Initial Franchise Fee and the Development Fee for active-duty United States military and United States veterans that were honorably discharged. The Franchised Business must be operated under a business entity, and the active-duty personnel or veteran participant must maintain at least a 51% ownership interest in such entity throughout the initial term of the Franchise Agreement. A copy of either the active military ID or the form DD-214, evidencing the status of a participating veteran and discharge type, must be submitted with the Franchise Agreement to receive this discount. ~~We reserve the right to cancel or modify any incentive program or discount at any time.~~ If the veteran who was the

basis of the veteran's incentive is no longer an Owner for any reason, other than death or disability, at the fifth anniversary of the effective date of your franchise agreement, then you shall reimburse us for the veteran's incentive discount applied to your Initial Franchise Fee.

We offer a 5% reduction of the initial franchise fee to current franchisees of Snapology and Affiliated Brands in good standing when they purchase a Snapology franchise.

We reserve the right to cancel or modify any incentive program or discount at any time. In 2023, Snapology charged initial franchise fees ranging from \$36,000 to \$47,500. Except as described in this Item 5, all fees are uniformly imposed. All fees are fully earned when paid to us and our affiliates and are non-refundable upon payment.

ITEM 6 OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	The greater of 7% of Gross Sales ³ and the Minimum Royalty Fee ² : Months: 1-12: \$600 per month 13-24: \$700 per month 25-36: \$800 per month 37-48: \$900 per month 49- 60: \$1,000 per month 61 – 120: \$1,100 per month	Monthly on the 15 th of month	This payment will be debited automatically from your business bank through ACH.
NAF Contribution ⁴	Up to 5% of monthly Gross Sales or \$100 per month, whichever is greater; currently 1% of monthly Gross Sales	Monthly on the 15 th of month	This payment will be debited automatically from your business bank through ACH. <u>The total contribution between NAF Contribution, Local Marketing Expenditure, and Advertising Cooperative shall not exceed 6% of Gross Sales.</u>
Local Marketing Expenditure ⁵	Up to 6% of monthly Gross Sales; currently 6 5% of Gross Sales	Monthly, as incurred	All marketing is subject to our authorization and approval.
Advertising Cooperative (if established) ⁵	Amount determined by majority vote of cooperative members	As incurred	Contributions to the Advertising Cooperative will be credited toward your Local Marketing Expenditure. We do not currently have any Advertising Cooperatives.

Type of Fee ¹	Amount	Due Date	Remarks
Technology Fee ⁶	Up to \$500 per month; currently \$125 per month for a Mobile Snapology; or \$150 per month for a Discovery Center or Classroom.	Monthly on the 15 th of month	This payment will be debited automatically from your business bank through ACH. This monthly fee is subject to increase but not more than one increase in any calendar year and not more than an increase of \$25 per month in any calendar year.
Call Center Fee ⁷	Varies; we will charge you the pro rata share of the cost of operating, administering and upgrading the call center, which includes certain fees that we collect and pay to our Designated Suppliers (as defined in Item 8) on your behalf. Currently, the base fee is \$350-\$400 per month per Snapology Business.	Monthly on the 15 th of the month following performance or sale beginning on the established Opening Date.	Payable to us.
Annual Conference ⁸	Currently \$500 <u>\$1,000</u> per person in attendance, up to \$1,000 per person <u>\$500 per person which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year</u>	On demand	This payment will be debited automatically from your business bank through ACH.
Online Training	\$500 annually	Annually	We collect this fee on behalf of the licensor of the online training software and pay such collected fees directly to the licensor.
Dashboard Access License Fee	\$10 per month per license	Monthly upon invoice	This fee is payable to us and may be increased by Microsoft from time-to-time, which is a pass through fee and does not include any markup or rebate.
Initial Training for Additional Employees	Our then-current training fee, plus expenses. Our current fee is \$500 per trainee per day.	On demand	Under our pre-opening initial training program, we will train you or your Designated Manager and up to one

Type of Fee ¹	Amount	Due Date	Remarks
			Discovery Center or a Classroom. Your Mobile Snapology franchise agreement will terminate and you will be required to sign the then-current franchise agreement for the converted Discovery Center or Classroom.
Review and Audit	Actual costs of such audit and Franchisor’s expenses related to the audit if such audit shows a understatement of fees paid by more than 2%	On receipt of invoice	Applies to past due payments of royalty fees, NAF contributions, advertising fund fees and all other fees, charges, interest and payments due to us from you. Interest begins to accrue on the date that any payment is due from you to us.
Transfer Fee	<p>1) 50% of our then-current initial franchise fee if controlling<u>Controlling</u> interest (over 50%) is transferred to a new approved franchisee;</p> <p>2) 25% of our then-current initial franchise fee if controlling<u>Controlling</u> interest is transferred to an approved existing franchisee <u>who has already undergone our initial training and any other required training and has at least one open and operating Snapology franchised business</u>, plus reimbursement of our actual legal and professional expenses and our other costs incurred in connection with the transfer; or</p> <p>3) \$3,500 <u>but only if 20% or less of the total outstanding units in the</u></p>	Upon invoice	Payable before transfer of your Franchised Business if you request and we consent to transfer. <u>For purposes of the Transfer Fee, a “Controlling interest” means more than 20% the outstanding shares, interest, or assets in the Franchised Business and “Non-Controlling interest” means 20% or less than the outstanding shares, interest, or assets in the Franchised Business.</u>

Type of Fee ¹	Amount	Due Date	Remarks
	Franchised Business are being <u>Non-Controlling interest is</u> transferred to an approved Owner and limited to one time per rolling twelve-month period. Otherwise, such transfers are subject to the fee in #2 above.		
Relocation Fee	25% of our then-current initial franchise fee	Upon invoice	Payable prior to relocation only if you request and we approve your relocation.
Renewal Fee	25 <u>15</u> % of our then-current initial franchise fee plus reimbursement of our legal and professional expenses and our other costs incurred in connection with the renewal	Upon signing renewal franchise agreement	If we approve renewal of your Franchise Agreement, at the time of renewal, you will be required to sign our then current Franchise Agreement and pay the renewal fee.
Resale Program Fee	Greater of 4% of the purchase price paid for your Franchised Business (in any form, including cash, credit, debt or stock) and the then-current initial franchise fee.	Prior to closing	Payable only if you elect to participate in our Resale Program in connection with the sale of your Franchised Business to an approved transferee of the Franchise Agreement.
<u>Reservation Fee</u>	<u>\$500 or \$0 if partnering with an Affiliate Brand</u>	<u>Upon invoice</u>	<u>Payable only if you elect to offer services outside of your Protected Area upon our approval and execution of an amendment to your Franchise Agreement (“TOP Amendment”), attached as Attachment J to the Franchise Agreement.</u>
Supplemental Curriculum ⁹	At rates determined by us from time to time	Within 14 days of invoice	If you elect to purchase Supplemental Curriculum, you must pay our then current rates. You will be advised of the rates before ordering.
Collection Costs and Attorney Fees	Amount incurred by us to collect unpaid royalty fees and other fees or sums due from you to us.	On demand	Includes fees and expenses incurred by us, including legal demands and litigation, related to your breach of the Franchise Agreement, including attorney fees, deposition expenses,

Type of Fee ¹	Amount	Due Date	Remarks
			expert witness fees, accounting fees and filing fees.
NSF Check Fee or Failed Electronic Fund Transfer	5% of amount or \$50 whichever is greater or maximum fee allowed by law.	On demand	Applies to payment of Royalty Fees, NAF Contributions and any other payments to us.
Non-compliance	Amount of fees, costs and/or expenses that we incur in connection with the nonperformance of your obligations under the Franchise Agreement. Includes attorney fees.	On demand	You must pay to us and reimburse us for all costs, fees and expenses that we incur as a result of or in connection with your breach of the Franchise Agreement. This includes legal, mediation, and arbitration fees, expenses and costs that we incur and legal fees that we incur with outside legal counsel and costs associated with services and work performed by our own in-house legal staff.
Supplier Testing Fee	Reimbursement of our costs incurred in product testing and evaluating suppliers	Upon invoice	Payable only if you request to purchase products from an alternative supplier or request to use an alternate product.
Liquidated Damages	The product of (i) seven percent (7%) times the monthly revenue or the Minimum Royalty Fee, whichever is greater by month, for the previous twelve (12) full calendar months, multiplied by (ii) the years remaining in the Initial Term.	On demand.	Payable only if you default and we terminate your Franchise Agreement.

DEVELOPMENT AGREEMENT

Type of Fee ¹	Amount	Due Date	Remarks
Transfer Fee (Controlling Interest)	\$25,000 plus \$1,500 for each Snapology Business yet to be developed	On demand	Payable only if you transfer your obligations under the Development Agreement to an approved third-party
Transfer <u>Administrative</u> Fee (Convenience of Operation or	\$3,500 <u>but only</u> if 20% or less of the total outstanding units <u>or assets</u> in the Franchised Business are being transferred to an approved Owner	On demand	Payable only if you transfer your rights under this agreement to a business entity under your common

Type of Fee ¹	Amount	Due Date	Remarks
Non-Controlling Interest)	and limited to one time per rolling twelve-month period. Otherwise, such transfers are subject to the Transfer Fee (governing Controlling Interest).		control
Liquidated Damages	The lesser of i) \$50,000 and ii) the Minimum Royalty Fee, multiplied by 36, multiplied by the number of units undeveloped under the Development Agreement.	Upon Demand	Payable only if you default and we terminate your Development Agreement.
Indemnification of us	Our cost	Upon invoice	You must indemnify us from certain losses and expenses under the Development Agreement.

Notes:

Note 1: All fees are recurring unless noted, uniformly imposed, and non-refundable. You will be required to sign an ACH Authorization Form (Franchise Agreement Attachment F) permitting us to electronically debit your designated bank account for payment of all fees payable to us or our affiliates other than the Initial Franchise Fee. You must deposit all Gross Sales from your Snapology Business into the bank accounts for which the ACH authorization was granted. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

Note 2: You must pay to us a continuing Royalty Fee. The continuing Royalty Fee is a monthly fee that is equal to the greater of either: (a) a sum equal to 7% of your monthly Gross Sales; or (b) the amount of your then applicable Minimum Royalty Fee (the “Minimum Royalty Fee”), determined in accordance with the following schedule:

Minimum Royalty Fee	
Months 1-12	\$600 per month
Months 13-24	\$700 per month
Months 25-36	\$800 per month
Months 37-48	\$900 per month
Months 49-60	\$1,000 per month
Months 61-120	\$1,100 per month
<u>Renewal Term:</u> During any applicable renewal term, the Minimum Royalty Fee shall not be less than the Minimum Royalty Fee’s applicable in month 61 and shall be subject to increase as determined by us provided that within each calendar year of any renewal term we shall not increase the Minimum Royalty Fee by more than \$50 per month per Protected Area.	

In measuring the applicable Minimum Royalty Fee:

(a) for a Mobile Snapology, Snapology Discovery Center, and Classroom in an Affiliate Brand’s premises that is already open, “Month 1” automatically commences at the earlier of 1) the first day of the month following completion of our initial training program, or 2) 120 days from the date that you sign the Franchise Agreement; and

(b) for a Snapology Classroom in an Affiliate Brand’s premises that is not yet constructed or under

construction, “Month 1” automatically commences at the earlier of 1) the grand opening of your Affiliate Brand franchise, or 2) the first day of the month following completion of our initial training program.

Minimum Royalty Fees do not represent a financial performance representation by us and do not, in any way, indicate the amount of revenue that your Snapology Business may earn. If any federal, state, or local tax other than an income tax is imposed upon the Royalty Fees paid by you to us which we cannot directly and, dollar for dollar, offset against taxes required to be paid by us under applicable federal or state laws, you must compensate us in the manner prescribed by us so that the net amount of the Royalty Fees paid to us is not less than that the dollar amounts of the Royalty Fees under the Franchise Agreement.

Note 3: “Gross Sales” means the total dollar sales and revenues from all customers of your Snapology Business and, includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of monetary or non-money consideration (whether or not payment is received at the time of the sale or any amount is proved uncollectible), derived by you or any other person or corporate entity acting on your behalf from business conducted within and/or outside the Protected Area of your Snapology Business that is related to your Snapology Business and/or a competitive business located and/or operating within and/or outside the Protected Area of your Snapology Business (the foregoing does not constitute approval for the operation of your Snapology Business outside of your Protected Area and/or your operation of a business that is competitive to your Snapology Business). Gross Sales do not include sales taxes collected by you and paid to the applicable taxing authority.

Note 4: You must contribute to the NAF in an amount up to 5% of your monthly Gross Sales, subject to a minimum of \$100 per month. The NAF Contribution of 1%, subject to a minimum of \$100, ~~is scheduled to commence on August 1, 2022.~~ The Local Marketing Expenditure combined with the NAF Contribution and any Advertising Cooperative contribution described below will not exceed 6% of Gross Sales (as allocated by us between the Local Marketing Expenditure, Advertising Cooperative contribution and the NAF Contribution) during any 12-month period. The NAF will contribute up to 5% of its monthly balance to a separate fund (the “Unleashed Fund”) utilized for marketing all brands associated with Unleashed Services. See Item 11 for details on the Unleashed Fund.

Note 5: On a monthly and on-going basis you will be required to spend the Local Advertising Expenditure toward the marketing and promotion of your Snapology Business. Your local marketing efforts and expenditures must be targeted to a market comprised of your Protected Area and must conform to our standards and specifications. We may collect the Local Advertising Expenditure and spend it on your behalf utilizing our Designated Supplier. Currently, there is no established Snapology advertising cooperative (“Advertising Cooperative”). If we establish an Advertising Cooperative, we may require that you participate in an approved local or regional Advertising Cooperative with certain other franchisees and sign our then-current form of cooperative advertising agreement. If an Advertising Cooperative is established, it will operate by majority vote, with each Snapology Business (whether franchised or affiliate-owned or managed) entitled to one vote. We also will have the right to cast one vote with respect to each Advertising Cooperative. The majority vote will determine the level of contributions. The amounts you contribute will be credited against the Local Marketing Expenditure. We do not currently expect that company-owned or affiliate-owned Snapology Businesses will have majority voting power in any Advertising Cooperative, but if they do, the required contribution by any member of the Advertising Cooperative will not exceed \$10,000 per year absent the consent of a majority (i.e., 51%) of the franchisees in the Advertising Cooperative.

Note 6: The Technology Fee includes use of Command Center, our proprietary business management system that must be used by you in the operations of your Snapology Business (hereinafter referred to as “Command Center”), and other technologies we implement in the future. Command Center is a cloud-based software system that includes customer relationship management, student enrollment via website integration, event calendars, staff management modules, email marketing and other functionality. Presently,

the Technology Fee is \$125 per month for a Mobile Snapology and \$150 per month for a Snapology Discovery Center and Classroom. We may increase the Technology Fee up to \$500 per month upon notice to you.

Note 7: We operate a national call center for the benefit of the Snapology system that performs various functions, including general customer support and promotion, booking and upselling related to events held at Snapology Businesses (e.g., birthday parties, corporate events). We apply a portion of the call center fee to pay directly approved suppliers of certain services provided to your Snapology Business, including the fee charged by the call center telephone provider, your license for Salesforce Community Cloud CRM (e.g. event lead generation and management, donation requests and routing customer service inquiries) or such other provider of event lead generation and management that we may select and your license for Contact Center Solutions or such other provider of customer service software that we may select. In addition, we will assess a commission for booking parties and events at your Snapology Business. Currently, with respect to each birthday party, the commission is \$5 and an additional \$5 commission per each \$50 upsell related to the party, with upsell commissions not to exceed \$10 per birthday party, and, with respect to corporate and special events, if the call center books the event, the commission is 5% of the Gross Sales for the event. We may amend commissions periodically.

Note 8: We require that you attend our annual conference. If you cannot attend and we excuse your absence, you must send your Designated Manager in your place. In addition to the current ~~\$500~~1,000 fee per person in attendance, you will be responsible for all conference-related costs and expenses, including compensation, travel, accommodations, wages, and meals for your attendees. If you or your representative do not attend, you must pay us a conference materials fee of \$1,000 and we will provide you with relevant training materials from the Snapology annual conference.

Note 9: We are the exclusive supplier of the Curriculum. The products and services that your Snapology Business provides must be based on, utilize, and conform to our Curriculum as we designate and may modify from time to time. When you become a Snapology franchisee, at no additional charge, we will provide you with access to our core suite of lesson plans, curriculum, and program guides, which we may revise, add to, or otherwise determine at our sole discretion (the “Curriculum”). From time to time, we have and may develop supplemental curriculum (the “Supplemental Curriculum”) that we authorize for use as part of our Curriculum. If you elect to use the Supplemental Curriculum you must exclusively purchase the Supplemental Curriculum from us or our designated affiliate. Supplemental Curriculum and fees for our Supplemental Curriculum shall be published and provided to you from time to time.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT – FRANCHISE AGREEMENT

TABLE 1 - MOBILE SNAPOLOGY

Type of Expenditure¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$40,000 - \$40,000	Lump sum	Upon signing Franchise Agreement	Us
<u>Rent^{2,3}</u>	<u>\$0 - \$1,000</u>	<u>As incurred</u>	<u>As arranged</u>	<u>Third-Party Sites</u>
Signage ⁴	\$500 - \$1,000	As billed	Within 1 month after training	Third party suppliers and vendors approved by Us

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Computer, Software and Point of Sales System⁵ Initial Inventory and Equipment Package⁵	\$900– \$612,000 - \$20,000	As billed	Within 1 month after training	Third party suppliers Us, and vendors approved by Us
Program Supplies: Initial Inventory⁶ Computer, Software and Point of Sales System⁷	\$12,000– \$20900 - \$6,000	As billed	Within 1 month after training	Third party suppliers and vendors approved by Us
Insurance Deposits and Premiums⁹ Training Related Expenses⁸	\$12,000 - \$1,6003,500	As billed	Before opening Within 1 month after training	Third parties Insurance companies
Travel and Lodging for Initial Training¹⁰ Legal, Accounting, and Other Professional Fees⁹	\$750 - \$1,500 –\$2,000	As billed	Within 1 month after training Before opening	Third parties, including attorneys, accountants and architects
Grand Opening Advertising¹¹ Insurance Deposits and Premiums¹⁰	\$10,000– \$15,000 \$600 - \$800	As billed	Within 1 month after training	Insurance companies Us or our affiliates
Professional Fees¹² Business Licenses and Permits¹¹	\$750500 - \$1,500000	As billed	Before opening Within 1 month after training	Third parties, including attorneys, accountants and architects
Business Licenses and Permits¹³ Grand Opening Advertising¹²	\$0– \$500\$10,000 - \$15,000	As billed	Within 1 month after training Before opening	Us or our affiliates Third parties
Office Supplies¹⁴ Initial Supplies¹³	\$500 - \$1,000	As billed	Within 1 month after training	Third parties
Additional Funds – Initial period of 3 months ¹⁵ , months ¹⁴	\$7,500 – \$15,000	As incurred	Before opening and initial three months after opening	Suppliers
Total:	\$73,650 75,250 to \$103,600 105,800			

TABLE 2 - SNAPOLOGY DISCOVERY CENTER 2.0

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$47,500 - \$47,500	Lump sum	Upon signing Franchise Agreement	Us
<u>Lease Payments and Deposits²</u>	<u>\$10,000 - \$16,000</u>	<u>Lump sum</u>	<u>Varies</u>	<u>Third party landlord</u>
Construction, Leasehold Improvements, Furniture and Fixtures² Improvements³	\$110,160,000 - \$270,205,000	Varies	Before the grand opening	Third party suppliers and vendors approved by Us
Architectural Fees	\$16,700 - \$222,500	Varies	Before the grand opening	Architect or other supplier
<u>Signage⁴</u> Required base furniture, fixtures, and equipment³	\$95,250,000 - \$122,500,000 <u>\$30,000</u>	As billed	Before the grand opening	Third party suppliers and vendors approved by Us
Optional upgraded furniture, fixtures, and equipment <u>Initial Inventory and Equipment Package⁵</u>	\$0 - \$7,500 <u>\$12,000 - \$20,000</u>	As billed	<u>Within 1 month after training</u> Before the grand opening	Third party suppliers <u>Us</u> , and vendors approved by Us
<u>Furniture, fixtures, and equipment⁶</u> <u>Signage⁴</u>	\$365,000 - \$7,500 <u>\$90,000</u>	As billed	Before the grand opening	Third party suppliers and vendors approved by Us
Computer, Software and Point of Sales System ⁵ <u>System⁷</u>	\$1,400 <u>\$7,500 - \$9,500</u>	As billed	<u>Within 1 month after training</u> Before the grand opening	Third party suppliers and vendors approved by Us
<u>Training Related Expenses⁸</u>	<u>\$10,500 - \$15,000</u>	<u>As billed</u>	<u>Before opening</u>	<u>Third parties</u>
Program Supplies: Initial Inventory⁶ <u>Legal, Accounting, and Other Professional Fees⁹</u>	\$125,000 - \$30,000 <u>\$10,000</u>	As billed	Within 1 month after training	Third party suppliers, parties, including attorneys, accountants and vendors approved by Us <u>architects</u>
<u>Prepaid Rent and Lease Deposits⁷</u>	<u>\$4,000 - \$15,000</u>	<u>Lump sum</u>	<u>Varies</u>	<u>Third party landlord</u>

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Utility Deposits⁸	\$500—\$1,800	As billed	Before the grand opening	Utility companies
Insurance Deposits and Premiums⁹ <u>Premiums¹⁰</u>	\$750 - \$1,500	As billed	Within 1 month after training	Insurance companies
Travel and Lodging for Initial Training¹⁰ <u>Business Licenses and Permits¹¹</u>	\$500 - \$21,000	As billed	Before opening	Third parties
Grand Opening Advertising¹¹ <u>Advertising¹²</u>	\$20,000 - \$25,000	As billed	<u>Within 1 month after training</u> Before opening	Us or our affiliates
Professional Fees¹²	\$750—\$1,500	As billed	Within 1 month after training	Third parties, including attorneys, accountants and architects
Business Licenses and Permits¹³	\$500—\$1,000	As billed	Before the grand opening	Third parties
Office Supplies¹⁴ <u>Initial Supplies¹³</u>	\$500 - \$1,000	As billed	Within 1 month after training	Third parties
Additional Funds – Initial period of 3 months¹⁵ <u>months¹⁴</u>	\$1525,000 – \$45,000	As incurred	Before opening and initial three months after opening	Us, employees, suppliers, landlord, utility suppliers <u>Suppliers</u>
Total	<u>\$328,100</u> 405,950 to <u>\$611,800</u> 541,500			

TABLE 3- SNAPOLOGY CLASSROOM

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$47,500 - \$47,500	Lump sum	Upon signing Franchise Agreement	Us
Construction, Leasehold Improvements, Furniture and Fixtures² <u>Rent²</u>	\$1,000 to \$6,000 <u>\$0</u>	Varies	Before Classroom opening <u>As arranged</u>	Third party suppliers and vendors approved by Us <u>Landlord or yourself</u>
Furniture, fixtures, and equipment³	\$411,000 - \$8010,000	Varies <u>As billed</u>	Before Classroom <u>the grand opening</u>	Third party suppliers and vendors approved by Us

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
<u>Leasehold Improvements²</u>				
Signage ⁴	\$35,000 - \$8,800 - \$15,000	As billed	<u>Before the grand opening</u> Within 1 month after training	Third party suppliers and vendors approved by Us
Program Supplies: Initial Inventory⁶ <u>Inventory and Equipment Package⁵</u>	\$12,000 - \$20,000	As billed	Within 1 month after training	Third party suppliers <u>Us</u> , and vendors approved by Us
Prepaid Rent <u>Furniture, fixtures, and Lease Deposits⁷</u> equipment⁶	\$0 - \$28,000 - \$35,000	<u>As billed</u> Lump sum	<u>Before the grand opening</u> Varies	Third party landlords <u>suppliers and vendors approved by Us</u>
<u>Utility Deposits⁸</u> <u>Computer, Software and Point of Sales System⁷</u>	\$0 - \$5,000 - \$7,000	As billed	<u>Within 1 month after training</u> Before Classroom opening	Utility companies <u>Third party suppliers and vendors approved by Us</u>
<u>Insurance Deposits and Premiums⁹</u> <u>Training Related Expenses⁸</u>	\$750 - \$10,500 - \$15,000	As billed	<u>Before opening</u> Within 1 month after training	<u>Third parties</u> Insurance companies
<u>Travel and Lodging for Initial Training¹⁰</u> <u>Legal, Accounting, and Other Professional Fees⁹</u>	\$500 - \$2,750 - \$1,500	As billed	<u>Before opening</u> <u>Within 1 month after training</u>	Third parties, <u>including attorneys, accountants and architects</u>
<u>Grand Opening Advertising¹¹</u> <u>Insurance Deposits and Premiums¹⁰</u>	\$20,000 - \$25,000 - \$750 - \$1,500	As billed	Within 1 month after training	<u>Insurance companies</u> Us or our affiliates
<u>Professional Fees¹²</u> <u>Business Licenses and Permits¹¹</u>	\$750 <u>500 - \$1,500</u> 600	As billed	<u>Before opening</u> Within 1 month after training	Third parties, <u>including attorneys, accountants and architects</u>
<u>Business Licenses and Permits¹³</u> <u>Grand Opening Advertising¹²</u>	\$500 - \$1,600 <u>\$20,000 - \$25,000</u>	As billed	<u>Before opening</u> <u>Within 1 month after training</u>	<u>Us or our affiliates</u> Third parties
<u>Office Supplies¹⁴</u> <u>Supplies¹³</u>	\$500 - \$1,000	As billed	Within 1 month after training	Third parties

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Additional Funds – Initial period of 3 months¹⁵ <u>months¹⁴</u>	\$5,000– \$7,500 – <u>\$15,000</u>	As incurred	Before opening and initial three months after opening	Us, employees, suppliers, landlord, utility suppliers <u>Suppliers</u>
Total	\$132,500 <u>\$139,000</u> to \$202,900 <u>\$195,100</u>			

YOUR ESTIMATED INITIAL INVESTMENT –~~AREA~~ DEVELOPMENT AGREEMENT

(Additional Costs to the Above Per Discovery Center or Classroom Initial Investment)

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Fee	\$90,250 to \$128,250	Lump sum	When Franchise Agreement is signed	Us
Legal, Accounting, and Other Fees	\$5,000 to \$10,000	As arranged	As incurred	Your accountant, attorney, and other professionals
Total¹⁶ <u>Total¹⁵</u>	\$95,250 to \$138,250			

Notes:

Note 1: Your costs may vary depending on the size of your Protected Area, economic and market conditions, competition, wage rates, your management ability, your business experience and other factors. Your costs may be higher due to inflation or other general increases in costs for services and products. You should carefully review these estimates with your business, accounting, and legal advisors before making any decision to sign a Snapology Franchise Agreement. Payments are not refundable unless otherwise noted. These estimates do not include interest and financing charges that you may incur, and they do not include royalties, marketing, development and other continuing fees that you will be required to pay to us. ~~The above estimates do not take into consideration any revenue derived during the first three months of operation.~~ The above estimates do not include any sales tax, use tax, gross receipts tax, excise tax, or other similar tax or freight and delivery charges. You will be responsible for payment of these amounts. The total estimates are based on the historical experience of our corporate units ~~and data submitted by Snapology franchisees.~~

Note 2: This estimate varies depending on the type of Snapology Business that you are authorized to develop:

1. Mobile Snapology: As a Mobile Snapology, you may operate the Snapology Business from your home Office provided that you only offer and provide the Services from temporary authorized Third-Party Sites that you license or lease on a non-exclusive and short-term basis. Examples of Third-Party Sites include, but are not limited to, schools, recreation centers, libraries, businesses,

and community facilities. Third-Party Sites may require you to pay a portion of the Gross Sales collected from an event conducted on such sites, which can vary from \$0 to \$1,000 per month depending on the number of events you conduct at these Third-Party Sites. Your actual costs may vary depending on your ability to find low or no cost Third-Party Sites, the number of events you conduct at these sites, and your ability to negotiate lower rates.

2. Discovery Center: You will develop a free-standing Discovery Center within your Protected Area at a fixed commercial business location that we approve, subject to our standards and specifications. The cost of real estate varies considerably based on the local real estate market and the size and location of the property that you elect to purchase or lease. This estimate assumes that you will be leasing the location for your Discovery Center. You will be required to pay the landlord a rent security deposit that you will negotiate with the landlord and that will vary significantly based on of factors that include the desirability of the location and your own negotiations. This estimate is for the estimated cost of a two (2) monthly lease payments and security deposit for a Discovery Center location that is approximately 1,500 to 3,000 square feet.

3. Classroom: A Snapology Classroom must be developed and operated within an Affiliate Brand's franchised business that is operated by an entity that is the same as the Snapology franchisee or its affiliate. We assumed that there are no lease deposits or pre-paid rent for a Snapology Classroom since the premises is located within a facility already leased by the Snapology franchisee or its affiliate, but your landlord may require a different arrangement. You will convert at least one of your existing or new portion of such Affiliated Brands' premises into a Snapology Business.

Your costs for commercial space will be higher in certain high-cost markets, or if you choose a commercial space with a higher square footage than our recommended range stated above.

Note 3: This estimate varies depending on the type of Snapology Business that you are authorized to develop:

1. Mobile Snapology: You will not incur expenses for construction, leasehold improvements, furniture, or fixtures as a Mobile Snapology Business.

2. Discovery Center: ~~2. Discovery Center: You will develop a free-standing Discovery Center within your Protected Area at a fixed location that we approve, subject to our standards and specifications.~~ This estimate is for construction, furniture, and fixtures, which we have based on the historical experience of our affiliate and on the assumption that your Discovery Center will be approximately 1,500 to 3,000 square feet in a lower rent retail commercial location. The difference in the low and the high improvement cost estimates is due to differences in the physical attributes of a potential location. These estimates are applicable to a "vanilla box" site, which refers to the interior condition of either a new or existing building in which the improvements generally consist of heating/cooling with delivery systems, essential lighting, electrical switches and outlets, lavatories, a finished ceiling, dedicated party rooms, walls that are prepped for painting and a concrete slab floor. These numbers are not inclusive of any architect fees. The costs of the furniture and fixtures may vary depending on the material quality and on other factors.

3. Classroom: ~~If co-brand with an Affiliate Brand, you have the option of purchasing a Snapology Discovery Center to place inside of the Affiliate Brand's premises. This Snapology Classroom will operate as a separate business.~~ You will convert at least one of your existing or new portion of ~~such an~~ Affiliated Brand's premises into a Snapology Business. This estimate is for construction of an existing room into a Classroom and will vary depending on square footage, materials, labor, and geographical region of your location. The scope of your buildout will depend on existing building materials present in your Affiliate Brand's premises and the size of the converted rooms.

~~Note 3: If you operate a Discovery Center, you will be required to purchase certain types of equipment~~

~~including toys, displays, cases, play areas and electronic equipment from us or our approved manufacturers, suppliers and/or subject to our specifications. These figures represent the purchase of the necessary equipment from suppliers to provide the services of your Snapology Business. The costs listed here do not include any transportation or set up costs, which vary by location.~~

Note 4: For a Mobile Snapology, this estimate is for portable displays and signs that will not be affixed to any structure. For a Discovery Center, this estimate is for the cost to produce wall signage to be mounted to the outside of your Discovery Center and interior signage. For a Classroom, this estimate is for interior signage, but does not include exterior signage.

~~Note 5: You must purchase an initial opening inventory of program supplies from us or an affiliate before you open your Snapology Business. Based on the activity of your Snapology Business, you will be required to continuously restock, replenish, maintain and replace your supplies, equipment, and inventory. If you operate a Discovery Center, you will be required to purchase certain types of equipment including toys, displays, cases, play areas and electronic equipment from us or our approved manufacturers, suppliers and/or subject to our specifications. The costs listed here do not include any transportation or set up costs, which vary by location.~~

Note 6: The amount shown for Furniture Fixtures and Equipment includes, but is not limited to, other small equipment, miscellaneous items, lobby furniture, multi-purpose room furniture, office furniture, appliances, pro-shop and storage shelving and hardware, and other equipment you might need for a Snapology Discovery Center or Classroom not included in the Initial Inventory and Equipment Package.

Note 7: You will be required to use a minimum of one computer in the day-to-day operations of your Snapology Business. This computer must meet our specifications and be able to access our Command Center, our cloud-based business management system, through a broadband internet connection. When you open your Discovery Center, you will also be required to purchase and utilize the point of sale system specified by us. You do not purchase the computer equipment from us. The cost of the equipment you purchase will vary depending on the amount and configuration of the equipment you buy and the supplier you choose.

~~Note 6: You must purchase an initial opening inventory of program supplies before you open your Snapology Business. Note 8: Based on the activity of your Snapology Business, you will be required to continuously restock, replenish, maintain and replace your supplies, equipment, and inventory.~~

~~Note 7: You will be required to operate your Snapology Discovery Center from a commercial business location that we approve and that complies with local and state laws. The cost of real estate varies considerably based on the local real estate market and the size and location of the property that you elect to purchase or lease. This estimate assumes that you will be leasing the location for your Discovery Center. You will be required to pay the landlord a rent security deposit that you will negotiate with the landlord and that will vary significantly based on of factors that include the desirability of the location and your own negotiations. This estimate is for the estimated cost of a two (2) lease month security deposit for a Discovery Center location that is approximately 1,500 to 3,000 square feet. A Snapology Classroom must be developed and operated within an Affiliate Brand's franchised business that is operated by an entity that is the same as the Snapology franchisee or its affiliate. We assumed that there are no lease deposits or pre paid rent for a Snapology Classroom since the premises is located within a facility already leased by the Snapology franchisee or its affiliate.~~

~~Note 8: For a Discovery Center, to secure the appropriate utilities required for the operation of your Snapology Discovery Center, you will be required to pay upfront deposits to each applicable utility company.~~

~~Note 9: You are required to maintain certain specified insurance respecting the operations of the Snapology Business, and will be required to utilize our Designated Suppliers for a portion of those insurance policies. Your actual payments for insurance and the timing of those payments will be determined based on your~~

~~agreement with your insurance company or insurance agent. The cost of your insurance coverage will be based on factors outside of our control and the amount charged for insurance coverage may be significantly more or less than our estimate. This estimate is for the cost of an initial deposit in order to obtain the minimum required insurance. The cost of coverage will vary based on the Protected Area for your Snapology Business.~~

Note 10: Prior to opening the Snapology Business you must complete our pre-opening training program. We do not charge a fee for our pre-opening initial training you or your Designated Manager and up to one additional manager; however, you will incur travel and lodging costs associated with attending our pre-opening training program. You are responsible for the travel, food, and lodging expenses that you and your participating managers will incur when you attend our training program and the salary and benefit costs of your attendees. Costs vary due to distances from your location to our training facility and the quality of the food and lodging you choose. Other factors include seasonal variations in the price of travel and lodging expenses, general economic conditions, and your persistence in obtaining the best prices available. This estimate is for the cost for you or your Designated Manager and up to one additional manager to attend our initial training program in the Dallas-Fort Worth, TX Area ~~or Pittsburgh, PA.~~ Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses (food, transportation, etc.). ~~The duration of the training program is approximately 27 hours over a 4 day period.~~ This estimate does not include the cost of labor.

~~**Note 9:** This estimate is for the cost of our mandatory grand opening expenditure, which includes the cost of the initial digital marketing advertising and materials for the initial launch of your Mobile Snapology and the grand opening of your Discovery Center or Snapology Classroom. All marketing materials must be approved by us.~~

Note 12: These fees are representative of the costs for engagement of professionals such as attorneys, accountants, and architects for Snapology Discovery Centers for the initial review and advisories consistent with the start-up of a Snapology Business. These fees can vary greatly depending on the hourly rate charged by the professional and the amount of work you request be performed.

~~**Note 10:** You are required to maintain certain specified insurance policies for your Snapology Business, and will be required to utilize our Designated Suppliers. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company or insurance agent. This estimate is for the cost of an initial deposit plus three months of premium payments. If you choose to pay the policies in full, these costs will be higher. The cost of coverage will vary based on the Protected Area for the type of Snapology Business.~~

Note 11: You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate the Snapology Business. The licenses necessary to operate the Snapology Business will vary depending on local, municipal, county and state regulations. All licensing fees are paid directly to the governmental authorities when incurred and are due prior to the opening of your Franchised Business.

~~**Note 12:** This estimate is for the cost of our mandatory grand opening expenditure, which includes the cost of the initial digital marketing advertising and materials for the initial launch of your Mobile Snapology and the grand opening of your Discovery Center or Snapology Classroom. All marketing materials must be approved by us.~~

Note 13: This figure is for printing a start-up order of marketing displays, uniforms, promotional items, postcards, and business cards bearing the ~~Principal Trademarks~~ principal trademarks and a supply of office materials.

~~**Note 14:**~~ **Note 14:** This is an estimate of additional funds that will be required to cover expenses that you will incur before operations begin at your Snapology Business and during the first three (3) months following the opening of your Snapology Business (the “Initial Period”). You should calculate estimated start-up and operating expenses based on current market conditions in your area and consider whether additional cash

reserves are needed. Our estimates do not include salary or compensation to you as the owner and operator of your Snapology Business and, accordingly you must account for personal funds that you will require. The figures given are estimates and may vary from area to area. There may be other expenditures that are not listed above which may be incurred in certain areas and not others. Payments will be to third parties and are generally not refundable. These estimates also do not take into account finance payments and debt service (to the extent you obtain financing to develop your Snapology Business) and any related charges, interest, and costs you may incur if any portion of the initial investment is financed. These amounts are the minimum recommended levels to cover operating expenses, including your employees' salaries for three months. Additional working capital may be required if sales are low or fixed costs are high. In compiling these estimates, we relied on our franchisees' and our affiliates' experience in operating Snapology Businesses. You may be required by your lender to carry additional working capital.

Note 1615: See Item 5 for a description of the Development Fees. This chart assumes you will develop between two and three Classrooms or Discovery Centers. For each Snapology Business that you develop pursuant to a Development Agreement, you will execute our then-current Franchise Agreement and incur the initial investment expenses for the development of a single Snapology Business as described in the previous tables in this Item 7, which are ~~\$328,100~~405,950 to ~~\$611,800~~541,500 for a Discovery Center, and ~~\$132,500~~139,000 to ~~\$202,900~~195,100 for a Classroom (excluding Initial Franchise Fees).

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

PURCHASES FROM APPROVED OR DESIGNATED SUPPLIERS; PURCHASES ACCORDING TO SPECIFICATIONS

You must purchase from us or from suppliers or distributors we designate (each a “Designated Supplier”) all of your requirements for developing, constructing, and operating the Franchised Business including: (1) fixtures, furniture and other furnishings, equipment, supplies, point-of-sale systems, merchant processing systems, signs, items of décor, architect services, paper products, and other products; (2) uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing our Proprietary Marks); (3) advertising, point-of-purchase materials, and other printed promotional materials; (4) gift certificates and stored value cards; (5) stationery, business cards, contracts, and forms; (6) bags, packaging, and supplies bearing the Proprietary Marks; (7) insurance policies from our Designated Supplier and approved carriers or brokers, to the extent permitted by law; (8) local and regional marketing services through our Designated Supplier, if applicable; (9) reputation management and customer service satisfaction evaluations, and other surveys, (10) real estate brokers, (11) architects, and (12) other hardware, software, products, and services that we require. You agree to comply with all such requirements. We will notify you in our Manuals or other communications of our standards and specifications with respect to Designated Suppliers, including situations in which we may revoke approval.

You will be required to purchase the following through us or our affiliate: (1) retail merchandise, (2) licenses to the point of sale and other software programs that we designate, (3) certain digital marketing services, (4) technology solutions (e.g., franchise management system, computer equipment) identified by us, (5) certain insurance policies, and (6) certain support services related to the operation of your Franchised Business, including the accounting systems and third party accounting services that we prescribe. Adventis is the sole approved supplier for workers' compensation coverage.

If we require that a product or service be purchased from a Designated Supplier and you wish to purchase it from an alternate supplier, you must submit to us a written request for approval and must include pertinent information about the supplier as required in the Manual. You may not purchase or lease the product or service until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications, and samples to us to enable us to determine whether the products or services, as applicable, comply with our standards and specifications and whether the supplier meets our criteria, as may be amended by us periodically. We also have the right to inspect the supplier's facilities and have

approximately 50% to 70% of your total purchases and leases in establishing your Snapology Business and approximately 20% to 50% of the on-going operating expenses of your Snapology Business.

BUSINESS MANAGEMENT SYSTEM AND OTHER TECHNOLOGIES

Our business management system (“BMS”) ~~is~~ currently includes Manager and command center (“Command Center”). Command Center is our proprietary system that you must exclusively license through us and use in the daily operation of the Franchised Business. Command Center is a cloud-based software system powered by Microsoft that includes customer relationship management, student enrollment via website integration, event calendars, staff management, email marketing and other functionality. You are required to purchase at least one computer or tablet that maintains high speed internet access that runs Command Center for your Snapology Business. If you elect to open a Discovery Center, you will also be required to purchase and utilize Square brand our required point of sale system. You do not purchase the computer system equipment from us or our affiliates. There are no substitutes for Command Center, and it is the only business management software you must use for the Franchised Business. Command Center fees are included in the Technology Fee, which is currently \$125 per month for a Mobile Snapology and \$150 per month for a Discovery Center or Classroom. At all times we reserve the exclusive right to change vendors, implement additional or different technologies and software, and to move your data and information to alternative business management system providers. We are the only Designated Supplier of Command Center.

BRANDED ITEMS AND MARKETING MATERIALS

All materials bearing the Proprietary Marks including, but not limited to, stationary, business cards, brochures, apparel and displays, must meet our standards and specifications and must be purchased from either us or our Designated Suppliers. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market the Franchised Business through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us or our designated exclusive supplier. We may require that you use our Designated Supplier for social and digital media marketing services and our social media platforms, vendors and marketing channels. You are required to utilize us to conduct your Grand Opening Advertising; we will collect your grand opening advertising funds and utilize the appropriate third-party marketing partner to conduct your grand opening of the Franchised Business according to a schedule that we determine.

Except through an interest in us or our affiliates, none of our officers owns any interest in any suppliers with whom you must or are required or recommended to do business.

MINIMUM INSURANCE COVERAGE

You must obtain and maintain, at your own expense, the insurance that you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Business, including our mandatory policies and minimum limits of coverages described below:

Line of Coverage:	Limits:
General Liability Insurance	\$1,000,000 per occurrence \$2,000,000 Annual General Aggregate, Other than Products \$2,000,000 Annual Aggregate, Products and Completed Operations (a) premises and operations; (b) products and completed operations; (c) personal injury; (d) advertising liability; (e) abuse and molestation; (f) contractual liability; (g) employees as insureds; (h) extended bodily injury coverage; (i) damage to premises rented to you (\$100,000); (j) owned, non-owned and hired automobile

We may negotiate group rates, including price terms, for the purchase of equipment and supplies necessary for the establishment and/or operation of the Franchised Business. Presently there are no purchase or supply agreements in effect for Restricted Purchases and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using Designated Suppliers.

FRANCHISOR REVENUE DERIVED FROM RESTRICTED FRANCHISEE PURCHASES AND LEASES

We do receive rebates from certain vendors of our Designated Suppliers of Restricted Purchases. During our most recently completed fiscal year ending December 31, ~~2022~~2023, we received \$70,02640.840 in rebate revenue, which is ~~3.21.6%~~ of our total revenue of \$2,211,540. ~~Our affiliates did not receive any rebate revenue in the fiscal year ending December 31, 2022~~475,622.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

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

Obligation	Sections in Franchise Agreement	Sections in Development Agreement	Disclosure Document Items
a. Site selection and acquisition/lease	Article 3 and Attachment G	Articles 1 and 4	Items 7 and 11
b. Pre-opening purchases and leases	Articles 4 and 5	Not Applicable	Items 7 and 8
c. Site development and other pre- opening requirements	Articles 4 and 5	Article 4	Items 6, 7 and 11
d. Initial and ongoing training	Article 8 and Section 2.B.(4)	Section 6.2	Item 11
e. Opening	Article 5	Article 4	Item 11
f. Fees	Article 6	Article 3	Items 5, 6 and 7
g. Compliance with standards and policies / manual	Articles 7, 9, 10, and 11	Article 5	Items 8 and 11
h. Trademarks and proprietary information	Articles 9 and 13, and Section 14.A.	Section 1.4	Items 13 and 14
i. Restrictions on products and services offered	Articles 9, 10, and Sections 11.B.-11.D.	Article 1	Items 8, 11 and 16
j. Warranty and customer service requirements	Sections 11.I., 15.F., and 15.N.	Not Applicable	Item 16
k. Territorial development and sales quotas	Sections 1.B. and 3.A.	Article 4	Item 12
l. Ongoing product and service purchases	Sections 11.B.-11.F.	Not Applicable	Item 8
m. Maintenance, appearance and remodeling requirements	Article 10 and Sections 2.B(2), and 11.B.	Not Applicable	Items 7 and 17
n. Insurance	Article 16	Not Applicable	Items 7 and 8
o. Advertising	Article 15	Not Applicable	Items 6 and 11
p. Indemnification	Section 20.B.	Section 7.2	Item 6
q. Owner’s participation, management, staffing	Sections 11.J.-11.K.	Article 5	Items 11 and 15

All digital media and marketing must be approved by us. We will designate for your Protected Area information about the Franchised Business on the www.snapology.com webpage or such other websites as we may designate for the System (“System Websites”). (Franchise Agreement, Section 11.S.). You may not advertise on the Internet using, or establish, create, or operate an Internet site or website using any domain name containing, the words “SNAPOLOGY” or any variation of “SNAPOLOGY” without our prior written consent. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of the registration of any username on any gaming website, personal blogs or social networking website including Facebook, LinkedIn, Yelp, Pinterest, Instagram, Tik Tok, or [X \(formerly known as Twitter\)](#), or any virtual worlds, file sharing, audio sharing and video-sharing sites. We may develop policies and procedures that apply to all types of advertising and marketing efforts, including social media advertising, and you must comply with all policies and procedures that we develop.

NATIONAL ADVERTISING FUND

We administer the NAF for the creation and development of marketing, advertising, and related programs, campaigns and materials for the implementation of our brand positioning. As noted in Item 6, you will pay to Franchisor a continuing, non-refundable monthly contribution of up to 5% of monthly Gross Sales, subject to a minimum fee of \$100 per month; (“NAF Contribution”); currently the NAF Contribution is 1% of monthly Gross Sales. We reserve the right to suspend or increase the NAF Contribution at any time upon 60 days’ prior notice to you; however, if we increase the NAF Contribution, the sum of the NAF Contribution, Advertising Cooperative contribution, and Local Marketing Expenditure will not exceed 6% of Gross Sales (as allocated by us between the NAF Contribution, Advertising Cooperative contribution, and the Local Marketing Expenditure) during any 12-month period. Any corporate-owned Snapology locations will contribute to the NAF at the same rate as franchisees. ~~We did not collect any NAF Contributions in the previous fiscal year 2022.~~

In our last fiscal year ended December 31, 2023, we spent approximately 100% of the advertising fund on administration and infrastructure. At the end of the year, we will carry over to the following year any advertising fees we have not spent and will use these monies for advertising and marketing.

We direct all initiatives related to the positioning of the brand using the NAF, including advertising and marketing programs (for example, research methods, branding, creative concepts and materials, sponsorships, and endorsements used); selection of geographic and media markets; and media placement and the allocation of media placement. We may use the NAF to pay the costs of research (including product and services research and development), market research (for example, customer engagement with the brand, including design and décor, concept development, uniform design, customer service techniques, customer research and focus groups) creation and production of video, audio, electronic, and written advertising and marketing programs; administration of regional, multi-regional, and national advertising and marketing programs, customer research and surveys, and testing and related development activities; promotional events; purchasing and participating in online, social media, radio, television, and billboard advertising and programming; employing marketing, advertising and promotional agencies to assist; conducting community relations activities; supporting public relations, maintenance of the System Websites, and online presence; and other advertising, marketing, and promotional activities as we determine are appropriate for Snapology businesses, the Proprietary Marks and the System. You will ultimately be responsible for the costs associated with the placement of any such marketing and media for the Franchised Business. The NAF will furnish you with samples of advertising, marketing formats, promotional formats, and other materials at no additional cost when we deem appropriate. Multiple copies of those materials will be provided to you at your sole cost.

The NAF will be accounted for separately from our other funds, will not be used to defray any of our general operating expenses, but may be used to cover reasonable salaries, administrative costs, travel expenses, and overhead as we may incur in activities related to the administration of the NAF and its programs, including as described above and with respect to collecting and accounting for contributions to the NAF. We will not

use NAF funds to solicit new franchise development. We will not act as trustee with respect to the NAF and have no fiduciary duty to you or your affiliates, owners or any other franchisees. We may spend on behalf of the NAF, in any fiscal year, an amount that is greater or less than the aggregate contributions to the NAF in that year, and the NAF may borrow from us or others to cover deficits or may invest any surplus for future use. All interest earned on monies contributed to the NAF will be used to pay advertising costs before other assets of the NAF are expended. The NAF will not be audited. We will, upon your written request (but no more than once annually) provide a copy of our unaudited annual statement of monies collected and costs incurred by the NAF. We have the right to cause the NAF to be incorporated or operated through a separate entity we own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties.

Although we endeavor to utilize the NAF to develop advertising and marketing materials and programs and to place advertising that will benefit the System, we have no obligation to ensure that expenditures by the NAF in or affecting any geographic area are proportionate or equivalent to the contributions to the NAF by Snapology businesses in that geographic area or spent marketing your Snapology Business. Nor are we under any obligation to ensure that any franchisee will benefit directly or in proportion to its NAF Contribution from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering the NAF. We reserve the right to suspend or terminate (and, if suspended or terminated, to reinstate) the NAF. If the NAF is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees in proportion to their respective contributions to the NAF accrued during the preceding three-month period, and those amounts will be spent on local marketing.

UNLEASHED FUND

We have the right to establish an advertising fund separate from the NAF, which we call the Unleashed Fund. You will not contribute directly to the Unleashed Fund. The Unleashed Fund is identical to the NAF except that the funds are spent marketing all ~~brands of the Affiliated Brands~~ ServicesBrands umbrella; ~~these brands currently include Urban Air Adventure Park, Snapology, TLGI, PMA, Class 101, and XPL, but may include other brands in the future (collectively, the “Unleashed Brands”)~~. When the Unleashed Fund is established, the NAF may contribute up to 5% of its monthly balance to the Unleashed Fund. ~~All~~ Each of the UnleashedAffiliated Brands are expected to contribute to the Unleashed Fund, except the percentage contributed by each UnleashedAffiliated Brand’s fund may vary. Only the UnleashedAffiliated Brands that contribute to the Unleashed Fund are included in the advertising conducted by the fund. The Unleashed Fund is not audited, and we are not required to provide you a report of Unleashed Fund. We will have the right to cause the Unleashed Fund to be incorporated or operated through a separate entity our affiliates own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties. ~~If the Unleashed Fund is implemented, then we will, upon~~

If we are required to do so by your state law (for example, Maryland), we will within 60 days after your written request (but no more than once annually) provide a copy of our unaudited annual statement of monies collected and costs incurred by the Unleashed Fund. In our last fiscal year ended December 31, 2023, we did not create or maintain an Unleashed Fund. ~~We will have the right to cause the Unleashed Fund to be incorporated or operated through a separate entity our affiliates own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties.~~

ADVERTISING COOPERATIVE

If we believe that two or more Snapology businesses may benefit by pooling their advertising dollars, we may form a local or regional Advertising Cooperative for this purpose. If we form an Advertising Cooperative for the region in which your Franchised Business is located, your membership to the advertising cooperative is automatic, and you must participate in the Advertising Cooperative.

Contributions to the Advertising Cooperative will be credited toward your Local Marketing Expenditure. We have the right to create, dissolve, and merge advertising cooperatives. We will also have the power to require Advertising Cooperatives to be formed, changed, dissolved, or merged, and to create and amend their governing documents. No advertising cooperative has yet been created and, therefore, no governing documents are available for your review.

Governing documents will provide that any Advertising Cooperative created under authority of the Franchise Agreement will (1) operate by majority vote, with each Snapology business (whether franchised or affiliate-owned or managed) being entitled to one vote, (2) entitle us to cast one vote (in addition to any votes we may cast for affiliate-owned locations), (3) permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions, and (4) provide that any funds left in the Advertising Cooperative at the time of its dissolution be returned to the members in proportion to their contributions made during the 12-month period immediately preceding dissolution. All members (including company-owned and our affiliate-owned locations) will contribute at the same rate. The majority vote will determine the level of contributions. We do not currently expect that company-owned or affiliate-owned Snapology businesses will have majority voting power in any Advertising Cooperative, but if they do, the required contribution to the Advertising Cooperative for each member will not exceed \$10,000 per year without consent of a majority (*i.e.*, 51%) of franchisee members of such Advertising Cooperative.

ADVERTISING COUNCIL

There currently are no franchisee advertising councils or advertising cooperatives that advise us on advertising policies. In our discretion, we reserve the right to establish an advisory council of franchisees that does advise us on advertising policies and other matters.

PRICING

We may, if permitted by applicable law, establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services, including required participation in systemwide discount programs and promotions. If we do not establish such pricing requirements, then you will have the right to determine the prices you charge.

COMPUTER SYSTEM AND POINT OF SALE

You will be required to operate and maintain at least one computer or tablet to be used from the administrative office that you use to manage the Franchised Business, Third Party Sites from which you provide the Services and, if applicable, your Discovery Center. The computer must possess high-speed internet capability permitting your access and utilization of our Command Center, and have software that complies with PCI-DSS. We will possess direct access to Command Center and we will have access to all information entered into Command Center including information about the sales of the Franchised Business and your customers. If you elect to open a Discovery Center, you will also be required to purchase and utilize ~~Square brand our required~~ point of sale system. You do not purchase the computer equipment from us. The cost of a tablet or desktop computer may range from \$500 to \$1,200 ~~and the cost of the Square brand point of sale system may range from \$100 to \$250.~~ Other than ordinary equipment maintenance that may, depending on your usage, be required, there are no mandatory or optional maintenance, upgrade or support contracts required by us regarding the computer system that you utilize ~~and the Square brand point of sale system.~~ However, you may be required to pay ongoing maintenance and upgrade charges by our Designated Supplies, ~~including Square.~~ At our request, you must sign or consent to a “terms of use” agreement regarding all software applications that we designate. We may independently access from a remote location, at any time, all information input to, and compiled by, your computer system or an off-site server, including information concerning sales, purchase orders, inventory, and expenditures. There are no contractual limitations to our right to access the information and data.

INITIAL TRAINING

If this is your first Snapology business, we will provide initial training for you or, if you are a corporate entity, your Designated Manager plus one additional manager or Owner. Either you or your Designated Manager must successfully complete the initial training program to our satisfaction prior to the opening of the Franchised Business. The initial training program takes place over an approximate four-day period at our affiliate Snapology Discovery Center in ~~Pittsburgh, PA~~ or the Dallas-Fort Worth, TX Area. Although we provide you, or your Designated Manager if you are a corporate entity, plus an additional manager with initial training at no additional fee or charge, you will be responsible for all travel, lodging, food, automobile rental expenses and employee wages that you incur in connection with your attendance and participation in our initial training program and the attendance and participation of your managers in our initial training program. (Franchise Agreement, Article 8). If your Designated Manager ceases to serve in, or no longer qualifies for, the position, you must designate another qualified person to serve as your Designated Manager within 30 days and your proposed replacement Designated Manager must successfully complete the initial training program. Currently, we provide our initial training program no less frequently than quarterly and on an as-needed basis.

~~(DISCLOSURE DOCUMENT CONTINUES ON THE NEXT PAGE.)~~

The following chart summarizes the subjects covered in our initial training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of on-the-Job Training	Location
Introduction to Snapology	0.5	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Overview of Programs	2	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Birthday Parties	1	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Supply Management	2	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Teacher Training / Classroom Observation	0	<u>25</u>	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Accounting/QuickBooks	1	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Staffing	2	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Marketing & Advertising	1	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Daily Operating Procedures	1	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Setting up your Business	2	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place we designate
Scheduling & Logistics	1.5	0	Pittsburgh, PA, the Dallas-Fort Worth, TX Area, or other such place

			we designate
Sales	2	0	Pittsburgh, PA , the Dallas-Fort Worth, TX Area, or other such place we designate
Robotics / Animation / Coding Introduction	1.5	0.5	Pittsburgh, PA , the Dallas-Fort Worth, TX Area, or other such place we designate
Review of Curriculum	3	0	Pittsburgh, PA , the Dallas-Fort Worth, TX Area, or other such place we designate
Website Management	1	0	Pittsburgh, PA , the Dallas-Fort Worth, TX Area, or other such place we designate
Classroom Management	1	0.5	Pittsburgh, PA , the Dallas-Fort Worth, TX Area, or other such place we designate
Question & Answers	2	0	Pittsburgh, PA , the Dallas-Fort Worth, TX Area, or other such place we designate
Totals	24	36	

All training will be conducted under the direction and supervision of Kelly Carpenter, our Vice President of Operations and Training. Ms. Carpenter has over eight years of experience in the field. Our training materials include our written Operations Manual, access to our Command Center and access to the facilities and equipment of our affiliate's Snapology business in ~~Pittsburgh, PA~~ or the Dallas-Fort Worth, TX Area.

Following initial training program and the opening of the Franchised Business, if you request that we provide training or assistance on-site, you must pay our then current fee for each trainer. You must also reimburse us for our trainer(s) expenses including travel and accommodations. Our current daily trainer rate is \$500 per day. There is a two-day minimum for assistance.

We require that you attend our annual conference. If you cannot attend and we excuse your absence, you must send your Designated Manager in your place. In addition to the current ~~\$500~~1,00 fee per person in attendance, you will be responsible for all conference-related costs and expenses, including compensation, travel, accommodations, wages, and meals for your attendees. If you or your representative do not attend, you must pay us a conference materials fee of \$1,000 and we will provide you with relevant training materials from the Snapology annual conference.

ITEM 12 TERRITORY

TERRITORY RIGHTS

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises.

We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and without any compensation or consideration to you to engage in the following activities (our “Reserved Rights”): (a) own, acquire, establish, operate, and grant to others the right to operate a Snapology Business or other business that offers and sells products and services that are the same as or similar to a Snapology Business using the System and/or the Proprietary Marks at locations outside your Protected Area; (b) acquire or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to a Snapology Business, and after such acquisition, merger or affiliation to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and sell products and services that are the same as or similar to a Snapology Business (but not utilizing the Proprietary Marks) within your Protected Area; (c) be acquired by, merge with, or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to a Snapology Business, even if such business or businesses presently or in the future own and operate and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to a Snapology Business (but not utilizing the Proprietary Marks) within your Protected Area; (d) use the Proprietary Marks and System to distribute the Services offered and sold by the Franchised Business or products and services similar to the Services offered and sold by the Franchised Business in alternative channels of distribution including internet based distribution of Services such as internet based retail sales and on-line courses and programs within or outside your Protected Area; (e) operate and grant to others the right to operate a Snapology Business or other business that offers and sells products and services that are the same as or similar to a Snapology Business using the System and/or the Proprietary Marks within non-traditional fixed-location third-party sites such as national retail outlets, and captive markets that include resorts, cruise ships, amusement parks, stadiums, an Affiliated Brand owned or managed by Unleashed Brands, LLC, and other venues with a captive audience, both within or outside your Protected Area; (f) use the Proprietary Marks and System and to license others to use the Proprietary Marks and System to engage in all other activities not expressly prohibited by the Franchise Agreement; and (g) establish and operate, and license others to establish and operate, any business other than an Snapology Business, under the Proprietary Marks or under other marks, including education or children’s entertainment businesses that we or our affiliates may operate, acquire, be acquired by, or be merged or consolidated with. We reserve the right to use alternative channels of distribution including internet based distribution of Services such as internet based retail sales and on-line courses and programs within or outside your Protected Area. We do not pay any compensation to you for soliciting or accepting orders from inside your Protected Area. There are no restrictions on us, our affiliates or our Snapology franchisees from advertising or soliciting customers of your Franchised Business from anywhere, including within your Protected Area. We reserve the right to approve or disapprove of your marketing, marketing mediums, and marking distribution channels.

Certain products or services from our affiliate Sylvan, whether currently existing, in research and development, or developed in the future, may be distributed in your Protected Area by our affiliates, or its franchisees, licensees, or designees, in the manner and through such channels of distribution as our affiliates determine at its sole discretion without compensation to you. Sylvan, whose principal business address is the same as Snapology’s principal business address, currently offers franchises for SYLVAN franchised businesses, which provide specialized assessment and teaching of individualized educational programs for children in the principal areas of reading, mathematics, writing, and test preparation, and portable

SylvanSync and Sylvan-branded learning environment individualized for children, using proprietary SylvanSync computer systems. Sylvan may also provide certain STEM related classes under the Sylvan name and related trademarks. Sylvan may also offer other services and products that may overlap with Snapology’s services and products. While the principal business addresses for Snapology and Sylvan are the same, Sylvan maintains training facilities that are physically separate from Snapology. Sylvan franchisees may solicit or accept customers near your Franchised Business and in your Protected Area. We do not expect any material conflicts between Sylvan franchisees and Snapology franchisees regarding territory, customers, or support because the principal products and services offered by each do not materially overlap. However, we intend to use reasonable efforts to resolve any conflicts that might arise in the future.

FRANCHISE AGREEMENT

You must operate your Snapology Discovery Center or Classroom at a site approved by us (“Approved Location”) within the Protected Area as identified in the Franchise Agreement; additionally, you may only provide mobile services within the Protected Area. If you operate a Mobile Snapology, then you may only operate your Snapology Business at Third Party Sites located within your Protected Area, and your home office will be considered your Approved Location.

If you have not identified an Approved Location upon execution of the Franchise Agreement, we may grant you a “Site Selection Area” within which you must locate your Approved Location. Upon execution of the lease for the Approved Location, your Franchise Agreement will be amended to identify your “Protected Area,” which will be determined by us, and which may be based upon any or all of the following: zip codes, geographic boundaries, or a radius surrounding the Approved Location. There is no minimum Protected Area. Typically, but not in all cases, available Protected Areas will encompass a population of approximately 20,000 children aged infant to 14 years based upon the most recent U.S. Census or other publicly available data that we designate. Once the Protected Area is established, you forfeit the Site Selection Area. The Protected Area may differ from the Site Selection Area. The boundaries of your Protected Area may be altered only by written consent of the parties, except as provided in your Franchise Agreement with respect to any default of your representations, warranties, covenants, or obligations therein.

If you operate a Snapology Classroom, your Protected Area is based on the criteria above and may be smaller or different than the designated operating or protected area granted for your Affiliate Brand’s franchised business under its franchise agreement. Your Snapology Protected Area will be located inside of your Affiliate Brand’s franchised business’ protected area, and you are only allowed to provide Snapology mobile services within your Snapology Protected Area. If you wish to provide Snapology services outside of your Snapology Protected Area but inside of your Affiliate Brand’s franchised business’ protected area, you must purchase this additional territory from us, which may be considered a Mobile Snapology or a Discovery Center depending on whether you plan to establish a retail location.

During the term of and subject to your compliance with the Franchise Agreement and any other agreement between you and us or our affiliates, we will neither operate nor grant others the right to operate another Snapology Business in the Site Selection Area until the Approved Location is identified and, thereafter, in the Protected Area, except for those rights reserved to us and our affiliates. This restriction will not apply to any Snapology Business that is operating or in development within the Site Selection Area as of the effective date of the Franchise Agreement. The Protected Area may overlap with or be overlapped by the protected area of other Snapology franchisees or Snapology Businesses that our affiliates own or operate, so long as there are no other Snapology Businesses in the area of overlap.

As stated in Item 11, you must focus your marketing activities within your Protected Area. You may engage in direct marketing activities in the Protected Area (even if they overlap another franchisee’s protected area). We may develop policies and procedures that apply to all types of advertising and marketing efforts, including digital and social media advertising, and you must comply with all policies and procedures that we develop. You may not conduct direct marketing activities outside of your Protected Area, unless we

provide you with written consent specifically identifying the additional areas and time frame in which you may market outside of your Protected Area. You may not sell products through alternative channels of distribution, such as the internet, direct mail, telemarketing, or other direct marketing without our consent. Continuation of your territorial protection under the Franchise Agreement does not depend on you achieving a certain sales volume, market penetration, or other contingency.

RELOCATION

You may relocate your Discovery Center from your Approved Location only with our written consent, which is at our sole discretion. If your lease expires or terminates through no fault of yours, or if the Franchised Business premises are destroyed or materially damaged by fire, flood, or other natural catastrophe, we will permit you to relocate to another location within your Protected Area. If we grant relocation rights for this reason, you must open the Franchised Business for business at the new location within 180 days of closing the original location. If we permit you to relocate the Franchised Business for any other reason, you must open the Franchised Business for business at the new location within 30 business days of closing the original location. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of other Snapology Businesses, the location of other Snapology franchisee protected areas, demographics and other factors that, at the time of a relocation request, are relevant to us. If we approve your relocation, the new relocated site becomes your Approved Location. We do not grant you any right to relocate your Protected Area.

DEVELOPMENT AGREEMENT

When you execute your Development Agreement, we will identify a Development Area in which you shall open your Snapology Businesses. During the term of the Development Agreement, Franchisor shall not own or operate, or grant anyone else the right to operate, a Snapology Business within the Development Area. When you are ready to open each Franchised Business, we may identify a smaller Site Selection Area if we deem appropriate, before we establish a Protected Area. Upon expiration or termination of the Development Agreement, your rights to the Development Area also terminate, except for the Protected Areas defined in each Snapology Business's franchise agreement.

SERVICES OUTSIDE OF PROTECTED AREA

The marketing of the Franchised Business must be targeted to your Protected Area and you are not permitted to directly solicit customers outside of your Protected Area. The term "Direct Solicitation" refers to and means "communications and/or contacts occurring through in person contact, telephone, mail, e-mail, direct mail, distributed print media, digital media and marketing directed toward customers, potential customers or referral sources of a Snapology Business or Third Party Sites." On a limited basis, and upon our express approval, you may provide offer and provide Services on a mobile basis at Third Party Sites outside of the Protected Area (*i.e.*, in the immediate area outside of the Protected Area) so long as those Third Party Sites are not in another Snapology franchisee's protected area. You may only engage in these services upon our prior written approval and upon execution of the TOP Amendment, attached as Attachment J to the Franchise Agreement. However, you must conduct the business operations of your Franchised Business from within your Protected Area and, if applicable, the Approved Location. This means you cannot locate the Approved Location or establish a primary or secondary office outside of the Protected Area. If i) the area in which the Third Party Sites are located outside of the Protected Area become another franchisee's protected area or ii) if we request, in our sole discretion, without limitation, that you cease operations outside of the Protected Area, you must immediately surrender these Third Party Sites and cease providing Services to the Third Party Sites outside of your Protected Area.

ADDITIONAL FRANCHISE RIGHTS

the Proprietary Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner we prescribe. You may not contest ownership or validity of the Proprietary Marks or any registration of the Proprietary Marks, or our right to use or to sublicense the use of the Proprietary Marks. You must sign all documents that we require to protect the Proprietary Marks and to maintain their validity and enforceability.

INTERNET AND SOCIAL MEDIA USAGE

You may not cause or allow all or any recognizable portion of the Proprietary Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator (“URL”), or meta-tag, or in connection with any Internet home page, web site, landing pages, mobile channels, or any other Internet-related activity without our express written consent, and, then, only in a manner and consistent with our procedures, standards and specifications. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of the registration of any username on any gaming website, personal blogs or social networking website including Facebook, LinkedIn, Yelp, Pinterest, Instagram, TikTok, or X (formerly known as Twitter), or any virtual worlds, file sharing, audio sharing and video-sharing sites. You must comply with our social media and networking policies, which will be provided to you in the Manual and which may be modified, amended, or terminated by us at any time. (Franchise Agreement, Section 13.D.)

You may not establish or maintain a web site or other presence on the World Wide Web portion of the Internet, including gaming websites or social networking websites such as Facebook, LinkedIn, Yelp, Pinterest, Instagram, Tik Tok or X (formerly known as Twitter), that reflects any of the Proprietary Marks or any of our copyrighted works, including the term “Snapology” as part of its URL or domain name, that otherwise states or suggests your affiliation with us or the System, or that uses or displays any collateral merchandise offered at the Franchised Business, without our express written consent, and, then, only in a manner and consistent with our procedures, standards and specifications. We will create all social media accounts related to the Franchised Business and license such accounts to you for use in promoting the Franchised Business while the Franchise Agreement is in effect. (Franchise Agreement, Section 15.G.) Our social media and networking policies will be provided to you in the Manual and may be modified, amended, or terminated by us at any time. (Franchise Agreement, Section 15.D.)

INFRINGEMENT

If there is any infringement of, or challenge to, your use of any name, mark, or symbol, you must immediately notify us, and we may take any action that we deem appropriate, in our sole discretion. The Franchise Agreement does not require us to take affirmative action if notified of the claim. We have the right to control all administrative proceedings or litigation involving your use of the Proprietary Marks. The Franchise Agreement does not require us to participate in your defense or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding based on your use of the Proprietary Marks, or if the proceeding is resolved unfavorably to you. We have the right to designate one or more new, modified or replacement Proprietary Marks for your use and to require you to use the new, modified or replacement Proprietary Marks in addition to or in lieu of any previously designated Proprietary Marks. You must comply with the directive, at your expense, within 60 days following your receipt of written notice of the change. These rights arise only under the Franchise Agreement.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or registered copyrights material, or pending applications, to the franchise, but we claim copyright protection in many elements of the System including our training and marketing material, advertising, confidential operations content, software, designs, creative works, Web pages, and other works of authorship in any media (“Copyrighted Works”).

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	Section 2.A.	For a Mobile Snapology, the term is five (5) years. For a Snapology Discovery Center or Classroom, the term is ten (10) years.
(b) Renewal or extension of the term	Section 2.B.	If you are in good standing, you may elect to continue operating the franchise for two additional, consecutive five-year successor terms. You must pay us a renewal fee equal to 25 15% of our then-current initial franchise fee plus reimbursement of our legal and professional expenses.
(c) Requirements for franchisee to renew or extend	Section 2.B.	Provide at least eight months but not more than 12 months prior to expiration of the initial term; you may not be in default of the Franchise Agreement or any other agreement; you should not have any past-due monetary obligations to us or our affiliates; you must renovate and modernize the Franchised Business premises to conform to our then-current image (if Center or Classroom); you and employees must be in compliance with our then-current training requirements; you must have the right to possess the Franchised Business premises or have secured a substitute location (if Center or Classroom); you and all guarantors must execute our then-current form of general release, subject to applicable law; at the time of renewal, you satisfy our standards of financial responsibility and, you demonstrate to Franchisor that you have sufficient financial resources and means to continue to operate the Franchised Business during the renewal term; and you may not have a continued pattern of non-compliance as evidenced by repeated failed quality assurance evaluations, regardless of whether you have taken corrective action. If we grant you the right to a successor term, you must sign our then-current form of franchise agreement, which may be materially different than the current form and may reflect different royalty fee and advertising obligations.
(d) Termination by franchisee	No provision	You have no contractual right to terminate the Franchise Agreement. However, you have the right to terminate the Franchise Agreement on any grounds available under applicable law.

Provision	Section in Franchise Agreement	Summary
		assets we elect to purchase; notify members of the closure of your Franchised Business using our then-current form of notice and offering those members the option to terminate their membership and receive a pro rata refund; and comply with post term obligations (also see r, below).
(j) Assignment of the contract by franchisor	Section 17.A.	No restriction on our right to assign our interest in the Franchise Agreement or to transfer any of our assets.
(k) “Transfer” by franchisee-definition	Section 17.B.	Includes transfer of Franchise Agreement, transfer of the assets of the Franchised Business, and ownership changes.
(l) Franchisor’s approval of transfer by franchisee	Section 17.B.	We have the right to approve all transfers but will not unreasonably withhold approval.
(m) Conditions for franchisor’s approval of transfer	Section 17.B.	We may condition approval on satisfaction of the following: all monetary obligations must be satisfied; you must be in full compliance with the Franchise Agreement and all other agreements; you and each owner must sign a then-current general release; the transferee must meet our Standards for new franchisees; the transferee must sign our then-current form of franchise agreement for the remainder of the franchise term left on your agreement; the transferee must agree to refurbish the Franchised Business premises; you must agree to remain liable for all pre-transfer obligations; the transferee must comply with our then-current training requirements; you must use our Designated Supplier to conduct inspections of the Franchised Business premises before the transfer; the economic terms of the transfer may not, in our opinion, materially and adversely affect the post transfer viability of the Franchised Business.
(n) Franchisor’s right of first refusal to acquire franchisee’s business	Section 17.G.	We may match any bona fide offer to purchase your business.
(o) Franchisor’s option to purchase franchisee’s business	Section 19.B.	Upon the happening of a “Triggering Event” (meaning termination or expiration of the franchise, notice to you that we intend to purchase all or substantially all of the franchises in the System, or the date of an initial public offering), we may purchase the assets of the Franchised Business for a purchase price equal to “Fair Market Value” of the assets, excluding goodwill or going concern value. We may assume your lease and purchase the

Provision	Section in Franchise Agreement	Summary
		<u>assets of your business upon expiration or termination of the Franchise Agreement.</u>
(p) Death or disability of franchisee	Section 17.H.	Transfer of interest to his or her spouse or third party within six months of death or incapacity, subject to our approval and right of first refusal.
(q) Non-competition covenants during the term of the franchise	Sections 14.B. and 14.C.	Neither you nor any owner may be involved in any Competitive Business anywhere within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor or its affiliates have used, sought registration of, or registered the Proprietary Marks or similar marks. A “Competitive Business” means any business that provides curriculum-based courses, events, classes, and experiences using building toys, robotics, animation, coding, games, and engineering techniques, services, and products. A Competitive Business also includes any business acting as an area representative, franchise broker, business broker, franchise seller, area representative or the like for any business franchising or licensing Competitive Businesses other than us.
(r) Noncompetition covenants after the franchise is terminated or expires	Article 14	For a two (2) year period following termination or expiration of the franchise, neither you nor any owner may be involved in any Competitive Business located (1) at the former Franchised Business location, (2) within the former Protected Area, or (3) within a 25-mile radius of any other Snapology business.
(s) Modification of the agreement	Section 22.B.	The Franchise Agreement may be modified only by a written document signed by both parties.
(t) Integration/merger clauses	Section 22.A.	The Franchise Agreement and its Attachments constitute the full and final agreement and are binding (subject to state law). Any other promises or statements may not be enforceable. No claim made in the Franchise Agreement is intended to disclaim the express representations made in this disclosure document.
(u) Dispute resolution by arbitration or mediation	Section 23.G.	Except for certain claims, all disputes must be arbitrated in Texas. Subject to state law.
(v) Choice of forum	Section 23.G(9)	Litigation must be instituted and maintained in the state or federal courts serving the district in which we maintain our principal headquarter at the time litigation is initiated (currently Tarrant County, Texas) (subject to applicable state law).

(b) Franchise Outlet(s) means a Snapology Business operated in one or more territories under a single franchise or license agreement that is not a Company Owned Outlet.

(c) Gross Sales – means the total revenue derived by each Snapology Business less sales tax, discounts, allowances and returns, as defined in Item 6, Note 3.

(d) Mobile Snapology – means a Snapology Business that offers and provides Services on a mobile basis at Third-Party Sites, such as schools, community centers, and commercial locations, that are authorized by us and that are located within the franchisee’s Protected Area. Within this Item 19 we identify two types of Mobile Snapologies:

i. Full-Time Mobile Snapology - as reported to us by the franchisee, the franchisee owner dedicates 32 hours or more hours per week to the operations of the Mobile Snapology Business.

ii. Part-Time Mobile Snapology – as reported to us by the franchisee, the franchisee owner dedicates fewer than 32 hours per week to the operations of the Mobile Snapology Business.

(e) Snapology Discovery Center 1.0 – means a Snapology Franchised Business that is established and operated from a permanent, retail storefront offering and providing Services on-site, at the location of the Discovery Center 1.0. A Snapology Business that operates as a Snapology Discovery Center may, in addition to operating the Discovery Center, also offer and provide Services on a mobile basis at Third-Party Sites within the franchisee’s Protected Area. Snapology Discovery Center 1.0 are no longer offered under this Disclosure Document, and there are no Snapology Discovery Centers 2.0 that are open.

(f) Snapology Classroom – means a Snapology Franchised Business that is established and operated within an Affiliate Brand’s franchised business’ premises.

Data for our Franchise Outlets is based on financial information reported to us by our franchisees for the purpose of determining and calculating royalty fees due to us and financial performance. The information reported in this analysis has not been audited, and is based on historical financial data.

FRANCHISE OUTLETS

This analysis contains a historic representation of Gross Sales data achieved by our Franchise Outlets operated as a Full-Time Mobile Snapology. We only included data for Franchise Outlets that: (a) prior to the commencement of the reported calendar year, were open and in operation for at least twelve (12) months; and (b) were open and in operation at the start of the calendar year being reported and, that remained open and in operation throughout the reported calendar year. We do not report any results for Snapology Businesses operated as a Company Owned Outlet, Part-Time Mobile Snapology, Snapology Discovery Center 1.0 (no longer offered in this Disclosure Document), Discovery Center 2.0 ~~(no outlets yet open), or, and~~ Snapology Classrooms ~~(no outlets open for at least 12 months as of December 31, 2022).~~

Over the past number of years, we awarded Protected Areas that, in almost all instances, are larger than the Protected Areas offered and available to you in this Disclosure Document. We also authorized some franchisees to operate ~~in multiple~~ expanded Protected Areas through TOP Amendments. Within this Item 19, we do not identify or distinguish Franchise Outlets based on the size of the Franchise Outlets’ Protected Areas or whether or not the Franchised Outlets operated in multiple Protected Areas.

FULL-TIME MOBILE SNAPOLOGY

<u>2022</u> 2021 Calendar Year Gross Sales ²				
Average	Median	High	Low	Locations

	\$157,523		\$121,795		\$578,027	\$45,021
						18
2022 Calendar Year Gross Sales³						
Average	Median	High	Low	Locations	% Above Average	Number of Locations
\$212,159	\$154,905	\$1,052,690	\$33,087	24	25%	6

Note 2. During the 2023 Calendar Year Gross Sales³						
Average	Median	High	Low	Locations	% Above Average	Number of Locations Above Average
\$228,175	\$162,816	\$870,261	\$77,514	23	35%	8

Note 1. “Gross Sales” means the total dollar sales and revenues from all customers of your Snapology Business and, includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of monetary or non-money consideration (whether or not payment is received at the time of the sale or any amount is proved uncollectible), derived by you or any other person or corporate entity acting on your behalf from business conducted within and/or outside the Protected Area of your Snapology Business that is related to your Snapology Business and/or a competitive business located and/or operating within and/or outside the Protected Area of your Snapology Business (the foregoing does not constitute approval for the operation of your Snapology Business outside of your Protected Area and/or your operation of a business that is competitive to your Snapology Business). Gross Sales do not include sales taxes collected by you and paid to the applicable taxing authority.

Note 2. 2021 calendar year we had eighteen (18) Full-Time Mobile Snapology Businesses and twenty two (22) Part Time Mobile Snapology Businesses open and in operation through the 2021 calendar year, out of a total of sixty five (65) Snapology franchised locations. We excluded from our results the performance of 9 Part-Time Mobile Snapology locations and, 12 Full-Time Mobile Snapology locations that did not operate for a full 12 months.

Note 3. During the 2022 calendar year we had twenty-four (24) Full-Time Mobile Snapology Businesses and thirty-one (31) Part-Time Mobile Snapology Businesses open and in operation through the 2022 calendar year, out of a total of eighty-one (81) Snapology franchised locations. We excluded from our results the performance of 18 Full-Time Mobile Snapology locations that did not operate for a full 12 months.

Note 3. During the 2023 calendar year we had twenty-three (23) Full-Time Mobile Snapology Businesses and thirty (30) Part-Time Mobile Snapology Businesses open and in operation through the 2023 calendar year, out of a total of one hundred two (102) Snapology franchised locations. We excluded from our results the performance of 4 Full-Time Mobile Snapology locations that did not operate for a full 12 months.

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

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Snapology, LLC does not make any financial performance 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 Joshua Wall, 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022, the Federal Trade Commission, and the appropriate state regulatory agencies.

[Item 20 is on the next page.]

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1
SYSTEM WIDE OUTLET SUMMARY
FOR YEARS ~~2020~~2021 to ~~2022~~2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021 2020	63 74	71 70	+8 -4
	2021 2022	71 70	65 85	-6 +15
	2023 2022	65 85	81 102	+16 17
Company-Owned	2020 2021	2	2 1	0 -1
	2022 2021	2 1	1 3	-1 2
	2022 2023	1 3	3 2	+1 -1
Total Outlets	2020 2021	65 76	73 71	+9 -5
	2022	73 71	66 88	-4 +17
	2022 2023	66 88	84 104	+18 16

**TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS ~~2020~~2021 to ~~2022~~2023**

State	Year	Number of Transfers
Alabama	2021	0
	2022	0
	2020 2023	1
Florida	2021	0
	2022	0
	2023	2
Texas Pennsylvania	2021 2020	0
	2022	0
	2023	1
Utah	2021	0
	2022	0
	2020 2023	1

State	Year	Number of Transfers
Total	2021	0
	2022	0
	<u>2023</u>	<u>5</u>

TABLE NO. 3
STATUS OF FRANCHISED AND LICENSED OUTLETS
FOR YEARS ~~2020~~2021 to ~~2022~~2023

State	Year	Outlets at start of year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of year
Alabama	2021 2020	<u>20</u>	0	0	0	0	0	2
	2021 2022	2	0	0	0	0	0	2
	2022 2023	2	0	0	0	0	0	2
Arizona	2021 2020	1	<u>0</u> 1	0	0	0	0	<u>1</u> 2
		<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
California	2021 2020	<u>69</u>	<u>20</u>	0	0	0	<u>0</u> 2	<u>87</u>
		<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>6</u>
	2022	<u>67</u>	0	0	0	0	0	<u>67</u>
	<u>2023</u>	<u>7</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>9</u>
Colorado	2021 2020	2	0	0	0	0	<u>0</u> 1	<u>2</u> 1
	2022	<u>2</u> 1	<u>0</u> 1	0	0	0	<u>1</u> 0	<u>1</u> 2
	2023	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Connecticut</u>	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	<u>1</u> 0	1	0	0	0	0	<u>2</u> 1
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Florida	2021 2020	<u>35</u>	2	0	0	0	0	<u>5</u> 7
		<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	2022	<u>67</u>	5	0	0	0	1	<u>10</u> 11
	<u>2023</u>	<u>11</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>
Georgia	2021 2020	3	<u>20</u>	0	0	0	<u>20</u>	3
		<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	2022	3	0	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Illinois	2021 2020	2	<u>0</u> 1	0	0	0	0	<u>2</u> 3
		<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>

State	Year	Outlets at start of year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of year
	2022	3	0	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Indiana	2021 2020	2	0	0	0	0	0	2
		2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2020 <u>2023</u>	0 <u>2</u>	0	0	0	0	0 <u>0</u>	0
Iowa	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2020 <u>2023</u>	1	0	0	0	0	0	1
Kentucky	2021	1	0	0	0	0	0	1
	2022	1	0	0 <u>1</u>	0	0	0	1 <u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Maryland	2021 2020	2	0	0	0	0	0	2
		2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Massachusetts	2021 2020	1 <u>2</u>	1 <u>0</u>	0	0	0	0	2
		2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Michigan	2021 2020	2	0	0	0	0	0 <u>1</u>	2 <u>1</u>
		2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Minnesota	2021 2020	1	0	0	0	0	0	1
		1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Missouri	2021 2020	1 <u>2</u>	1 <u>0</u>	0	0	0	0 <u>1</u>	2 <u>1</u>
		2	0	0	0	0	1	1
	2022	1	0	0	0	0	1	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Montana	2021 2020	0 <u>1</u>	1 <u>0</u>	0	0	0	0	1
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Nebraska	2021	1 <u>0</u>	0	0	0	0	0	1 <u>0</u>
	2022	1 <u>0</u>	0	0	0	0	0	1 <u>0</u>

State	Year	Outlets at start of year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of year
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New Hampshire	2021 2020	0	0 1	0	0	0	0	0 1
		0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New Jersey	2021 2020	5	0	0	0	0	0 2	5 3
		5	0	0	0	0	2	3
	2022	3	0	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
New York	2021 2020	4	4 0	4 0	0	0	0 1	4 3
		4	0	0	0	0	1	3
	2022	3	0	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
North Carolina	2021 2020	2 3	4 0	0	0	0	0	3
		3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2020 2023	2 4	4 2	0	0	0	0	3 6
Ohio	2021	3	0 1	0	0	0	1	2 3
	2022	2 3	3 2	0	0	0	1 0	4 5
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>4</u>
Oklahoma	2021 2020	0	0 1	0	0	0	0	0 1
		0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Oregon	2021 2020	0	0 1	0	0	0	0	0 1
		0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Pennsylvania	2021 2020	4	0	0	0	0	0 1	4 3
		4	0	0	0	0	1	3
	2022	3	1	0	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Rhode Island	2021 2020	1	0	0	0	0	0	1
		1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

State	Year	Outlets at start of year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of year
South Carolina	2021 2020	0	0	0	0	0	0	0
		0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Tennessee	2021 2020	1	0	0	0	0	0 <u>1</u>	1 <u>0</u>
		1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Texas	2021 2020	1 <u>2</u> <u>1</u> <u>3</u>	1	0 <u>3</u>	0	0	2 <u>0</u>	11
		1	1	0	0	0	3	9
	2022	9 <u>1</u> <u>1</u>	6 <u>5</u>	0	0	0	1	14 <u>15</u>
	2020 <u>2023</u>	1 <u>15</u>	0 <u>4</u>	0 <u>1</u>	0	0	0 <u>1</u>	1 <u>17</u>
Utah	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Virginia	2021 2020	0	0	0	0	0	0	0
		0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Washington	2021 2020	2	0	0	0	0	0	2
		2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Total	2021 2020	6 <u>3</u> <u>7</u> <u>4</u>	1 <u>3</u> <u>1</u> <u>0</u>	1 <u>3</u>	0	0	4 <u>1</u> <u>1</u>	7 <u>1</u> <u>7</u> <u>0</u>
		7	8	0	0	0	14	65
	2022	6 <u>5</u> <u>7</u> <u>0</u>	2 <u>0</u> <u>1</u> <u>9</u>	0 <u>1</u>	0	0	4 <u>3</u>	8 <u>1</u> <u>8</u> <u>5</u>
	<u>2023</u>	<u>8</u> <u>5</u>	<u>2</u> <u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>1</u> <u>0</u> <u>2</u>

[TABLE 4 *begins*CONTINUES ON NEXT PAGE]

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS ~~2020~~2021 to ~~2022~~2023

State	Year	Outlets at start of year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at end of year
Pennsylvania	2020 2021	2	0	0	0 1	0	2 1
	2022	2 1	0	0	1 0	0	1
	2022 2023	1	0	0	0 1	0	1 0
Texas	2020 2021	0	0	0	0	0	0
	2022	0	0 2	0	0	0	0 2
	2022 2023	0 2	2 0	0	0	0	2
Total	2020 2021	2	0	0	0 1	0	2 1
	2022	2 1	0 2	0	1 0	0	1 3
	2022 2023	1 3	2 0	0	0 1	0	3 2

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, ~~2022~~2023

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Alabama	1	1	0
Arizona	1	1	0
California	43	3	0
Colorado	1	1 0	0
Georgia	2 1	1	0
Idaho	1	1	0
Illinois	0 1	0 1	2 1
Maryland	1 2	1	1
Massachusetts	0	0	1
Minnesota	1	1	0
Nevada	1 2	1	0
New Jersey	1 2	1 2	0
New Mexico	1	1	0
North Carolina	1	1	0
Ohio	0	0	1
Oregon	1	1	0
Pennsylvania	1	1	0
Texas	2	2	0
Utah	2	2	0
Virginia	74	74	1 0
Washington	0 1	0 1	1
Total	25 28	23 25	75

We have entered into agreements with current and former franchisees that contain confidentiality provisions within the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Snapology. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

Exhibit F to this Disclosure Document contains a list of our then current Snapology franchisees and licensees as of the end of our most recently completed fiscal year. Exhibit F also contains a list of Snapology franchisees that had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during our most recently completed fiscal year or, who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The following independent franchisee organization has asked to be included in this disclosure document:

The Independent Association of Snapology® Franchisees (IASF)
A Chapter of the American Association of Franchisees & Dealers

~~PO Box 10158~~

~~Palm Desert, CA 92255-1058~~

~~276 Hazard Ave, Suite 11~~

~~Enfield, CT 06082~~

~~Phone: 619-209-3775~~

~~Fax: 866-855-1988~~

~~Email: Snap@aafdchapters.org~~

As of the date of this ~~disclosure document~~Disclosure Document, we have not established any franchisor sponsored or endorsed franchisee organizations.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit D to this disclosure document are the ~~financial statements of UA Holdings, LLC and subsidiaries, our parent company, as of December 31, 2022 and for the periods from December 28, 2022 through December 31, 2022 (successor) and January 1, 2022 through December 27, 2022 (predecessor)~~ and (i) the consolidated financial statements for the years ending December 31, ~~2023 and 2022 of Unleashed Brands, LLC, our parent company,~~ (ii) Snapology's audited financial statements for the year ending in December 31, 2021, 2020 and 2019. Also included in Exhibit D is the and (iii) unaudited balance sheet of ~~UA Holdings~~Unleashed Brands, LLC as of March 31, 2023/2024 and its unaudited profit and loss statement from January 1, ~~2023/2024~~ to March 31, ~~2023/2024~~. A copy of the guaranty of ~~UA Holdings~~Unleashed Brands, LLC is attached in Exhibit D. Our fiscal year end is December 31, 2023.

ITEM 22 CONTRACTS

Attached to this Disclosure Document are the following contracts:

~~Exhibits to this Disclosure Document:~~

Exhibit E	Franchise Agreement, Attachments, and State-Specific Amendments
Exhibit H	Sample Form of General Release
Exhibit I	Development Agreement Attachments, and State Specific Amendments
Exhibit J	Sample Form of Assignment and Assumption Agreement

ITEM 23 RECEIPTS

Snapology LLC
BALANCE SHEET (Unaudited)
December 31, 2022

ASSETS

Current Assets	
Cash	\$ 20,719
Restricted Cash	34,228
Accounts Receivable, Net	167,570
Inventory	300,286
Prepays	406,755
Deferred Variable Costs S/T	91,677
InterCompany Receivable	364,919
Total Current Assets	<u>1,386,155</u>
Long Term Assets	
Fixed Assets, Net	23,475
Operating Lease Right-of-Use Assets	68,515
Intangible Assets	4,500,000
Notes Receivable	127,714
Deferred Variable Costs L/T	741,402
Total Long Term Assets	<u>5,461,105</u>
Total Assets	<u><u>\$ 6,847,260</u></u>

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 25,498
Deferred Revenue	30,479
Marketing Ad Fund	48,931
Accrued Expenses	42,225
Intercompany Liabilities	1,249,289
Deferred Revenue IFF S/T	288,157
Operating Lease Liabilities S/T	68,515
Total Current Liabilities	<u>1,753,094</u>
Long Term Liabilities	
Deferred Revenue IFF L/T and ADA	2,441,572
Long-Term Liabilities	<u>2,441,572</u>
Total Liabilities	4,194,666
MEMBERS' EQUITY	
Retained Earnings	2,652,594
Total Liabilities & Members' Equity	<u><u>\$ 6,847,260</u></u>

EXHIBIT B
TO THE SNAPOLOGY
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed below.

Our agent for service of process in Texas is:

Snapology, LLC

Attn: ~~Stephen Polozola~~ Registered Agents Inc.
~~2350 Airport Freeway~~ 5900 Balcones Drive, Suite 505 ~~100~~
~~Bedford~~ Austin, Texas ~~76022~~ 78731

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Indiana	Indiana Securities Division Secretary of State Franchise Section Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State <u>201 State House</u> 200 West Washington Street, <u>Room 201</u> Indianapolis, <u>IndianaIN</u> 46204 (317) 232-6531
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General – Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
Michigan	Michigan Attorney General’s Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48909 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities Unit 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600 (800) 657-3602	Minnesota Department of Commerce 85 7 th Place East, Suite 280 Saint Paul, Minnesota 55101-2198 (651) 539-1600
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, New York 10005 (212) 416-8222	Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231 (518)-473-2492
North Dakota	North Dakota Securities Department 600 East Boulevard, Suite 414 Bismarck, ND 58505 (701) 328-2910	Securities Commissioner North Dakota Securities Department 600 East Boulevard, Suite 414 Bismarck, ND 58505 (701) 328-4712
Oregon	Oregon Division of Financial Regulation 350 Winter Street NE, Suite 410 Salem, Oregon 97301 (503) 378-4140	

SNAPOLOGY OPERATIONS MANUAL

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Unaudited Balance Sheet of Unleashed Brands, LLC as of March 31, 2024 and Unaudited Profit and Loss Statement for the period from January 1, 2024 to March 31, 2024

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

UNLEASHED BRANDS, LLC AND SUBSIDIARIES
BALANCE SHEET (Unaudited)
AS OF MARCH 31, 2024
(In thousands)

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 19,495
Investments—At fair value	6,645
Accounts receivable—Net	21,713
Inventory	1,307
Deferred attraction costs	15,637
Deferred initial franchise fee costs—Current	1,122
Deferred income taxes	181
Prepays and other current assets	8,344
Total current assets	74,444
DEFERRED INITIAL FRANCHISE FEE COSTS—Net of current maturities	19,399
OPERATING LEASE RIGHT-OF-USE ASSET—Net	38,283
PROPERTY AND EQUIPMENT—Net	8,245
GOODWILL—Net	4,030
INTANGIBLE ASSETS—Net	2,737
OTHER ASSETS—Net	845
RECEIVABLE FROM AFFILIATED ENTITIES—Net	100,599
TOTAL ASSETS	\$ 248,582
 LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	\$ 4,071
Accrued liabilities	15,722
Operating lease liability—Current	5,473
Marketing funds	484
Deferred attractions revenues	10,458
Deferred franchise fee revenues—Current	7,132
Unpaid insurance losses and loss adjustment expenses	9,275
Unearned insurance premium	58
Total current liabilities	52,673
OPERATING LEASE LIABILITY—Net of current portion	41,733
CONTRACT LIABILITIES—Net of current portion	54,036
Total Liabilities	148,442
 MEMBERS' EQUITY	
Cumulative earnings	100,140
Total members' equity	100,140
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 248,582

UNLEASHED BRANDS, LLC AND SUBSIDIARIES
 STATEMENTS OF OPERATIONS (Unaudited)
 For the Three Months Ended March 31, 2024
 (In Thousands)

REVENUES	
Royalty revenues	\$ 19,414
Attraction revenues	8,079
Merchandise revenues	2,327
Company-owned unit revenues	4,728
Franchise fee revenues	1,267
Marketing fund revenues	7,047
Net earned insurance premiums	91
Other revenues	4,869
	<hr/>
Total revenues	47,822
	<hr/>
OPERATING EXPENSES	
Attraction costs	5,142
Company-owned unit costs	4,243
Marketing fund costs	7,047
Salaries and wages	7,707
Incurred insurance losses and loss adjustment expenses	84
Selling, general, and administrative	6,076
Depreciation and amortization expense	490
	<hr/>
Total operating expenses	30,789
	<hr/>
INCOME FROM OPERATIONS	17,033
	<hr/>
OTHER INCOME—NET	313
	<hr/>
INCOME BEFORE FEDERAL TAX (EXPENSE)	17,346
	<hr/>
Federal tax (expense)	(33)
	<hr/>
Net income	\$ 17,313
	<hr/> <hr/>

SNAPOLOGY®
FRANCHISE AGREEMENT
SUMMARY PAGE

TYPE: Mobile Snapology;
 Snapology Discovery Center; or
 Snapology Classroom.

EFFECTIVE DATE: .

EXPIRATION DATE: Mobile Snapology (5-year term);
Snapology Discovery Center (10-year term); or
Snapology Classroom (10-year term).

FRANCHISEE(S): .

ADDRESS FOR NOTICES: .

TELEPHONE NUMBER: .

E-MAIL ADDRESS: .

FRANCHISOR: Snapology, LLC, a Pennsylvania limited liability company.

ADDRESS FOR NOTICE: 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022.

SITE SELECTION AREA NAME: .

INITIAL FRANCHISE FEE: \$40,000 for a Mobile Snapology Business; or
\$47,500 for a Snapology Discovery Center or a Snapology Classroom.

GRAND OPENING ADVERTISING (minimum): \$10,000 for a Mobile Snapology Business; or
\$20,000 for a Snapology Discovery Center or Classroom.

MONTHLY ROYALTY FEE: 7% of monthly Gross Sales, subject to Minimum Royalty Fee in Section 6.B.

NAF CONTRIBUTION: Up to 5% of monthly Gross Sales, subject to a minimum of \$100 per month (together with the Local Marketing Expenditure, not to exceed 6%).

LOCAL MARKETING EXPENDITURE: Up to 6% of monthly Gross Sales (together with the NAF Contribution, not to exceed 6%).

TECHNOLOGY FEE: Up to \$500 per month.

RENEWAL FEE: 15% of the then-current initial franchise fee plus reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the renewal.

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STATE SPECIFIC AMENDMENT TO FRANCHISE AGREEMENT

ATTACHMENTS

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- Attachment B Approved Location, Site Selection Area, and Protected Area
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- Attachment D Undertaking and Guaranty
- Attachment E Confidentiality and Non-Competition Agreement
- Attachment F Telephone Numbers Assignment Agreement
- Attachment G Lease Rider
- Attachment H ACH Authorization Agreement
- Attachment I Dashboard Access Agreement
- [Attachment J TOP Amendment](#)

own and operate and to continue to own and operate such businesses of any kind even if such business offer and sell products and services that are the same as or similar to a Snapology Business (but not using the Snapology Proprietary Marks) within Franchisee's Protected Area; (c) be acquired by, merge with, or otherwise affiliate with one or more businesses of any kind including businesses that offer and sell products and services that are the same as or similar to a Snapology Business even if such business or businesses presently, or in the future, own and operate and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to a Snapology Business (but not use the Snapology Proprietary Marks) within Franchisee's Protected Area; (d) use the Proprietary Marks and System to distribute the Services or products and services similar to the Services in Alternative Channels of Distribution within or outside Franchisee's Protected Area, without limitation, including to sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products through wholesalers, distributors, catalogs, mail order, toll free numbers, the Internet, mobile or temporary locations, or other alternative distribution channels, including products bearing Proprietary Marks anywhere within or outside of the Protected Area. Franchisee is not entitled to compensation for any such sales made in the Protected Area; (e) operate and grant to others the right to operate a Snapology Business or other business that offers and sells products and services that are the same as or similar to a Snapology Business using the System and/or the Proprietary Marks at within non-traditional fixed-location third-party sites such as (but not limited to) an Affiliated Brand ~~owned or managed by Unleashed Brands, LLC~~, national retail outlets, and captive markets that include resorts, parks, stadiums, and other venues with a captive audience, both within or outside Franchisee's Protected Area; (f) use the Proprietary Marks and System and to license others to use the Proprietary Marks and System to engage in all other activities not expressly prohibited by this Agreement; and (g) establish and operate, and license others to establish and operate, any business other than an Snapology Business, under the Proprietary Marks or under other marks, including education or children's entertainment businesses that we or our affiliates may operate, acquire, be acquired by, or be merged or consolidated with. Nothing in this Agreement prohibits or restricts Franchisor from owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (i.e., a mark other than SNAPOLOGY), whether or not the business is the same as or competitive with SNAPOLOGY Businesses within or outside of the Protected Area or Site Selection Area. In addition, Franchisor and its Affiliates may advertise and promote the Brand and the System within and outside your Protected Area or Site Selection Area (if applicable).

D. Restrictions.

Franchisee has no right to (i) sublicense the Proprietary Marks or the System to any other person or entity, (ii) use the Proprietary Marks or System at any location other than the Approved Location and within the Protected Area, except for when providing Services at Third Party Sites within its Protected Area or as otherwise approved by Franchisor, or (iii) except as expressly authorized by Franchisor, to use the Proprietary Marks or System in any type of sale of, or offer to sell, or distribution of products or Services, including, but not limited to: selling, distributing or otherwise providing, any products to third parties at wholesale, or for resale or distribution by any third party; and selling, distributing or otherwise providing any products through catalogs, mail order, toll free numbers for delivery, or electronic means (e.g., the Internet).

2. TERM

A. Initial Term.

The initial term of this Agreement ("Initial Term") shall, unless earlier terminated pursuant to the terms of this Agreement, be (a) for a period of five (5) years of the Effective Date for a Franchised Business that is a Mobile Snapology, or (b) for a period of ten (10) years of the Effective Date for a Franchised Business that is a Snapology Discovery Center or Classroom. The Term shall commence on the Effective Date and end on the expiration date, as indicated on the Summary Page (the "Expiration Date"). If there is

opening shall be governed by Articles 3, 4, and 5 of this Agreement; provided that: (1) if the relocation occurred as a result of an Innocent Loss or Casualty, the Franchised Business must be open for business at the new location within 180 days of closing at the previous Approved Location; and (2) if the relocation occurred for any other reason, the Franchised Business must be open for business at the new location within 30 days of closing at the previous location. You are solely responsible for all relocation costs and expenses, including your payment of Franchisor's Relocation Fee, which is 25% of the then-current initial franchise fee.

F. Territory Rules: Third Party Sites outside of Protected Area.

The license and rights granted to Franchisee in this Agreement are non-exclusive and limited to, among other things, the Protected Area, the grant of franchise rights set forth in Article 1 of this Agreement, and the reservation of rights set forth in Section 1.C. of this Agreement. On a limited basis, and upon Franchisor's express approval as captured as an amendment to this Agreement, Franchisee may provide offer and provide Services on a mobile basis at Third Party Sites outside of the Protected Area (*i.e.*, in the immediate area outside of the Protected Area) so long as those Third Party Sites are not in another Snapology franchisee's protected area. Before engaging in providing such services, Franchisee shall execute Franchisor's then-current amendment a form which is attached here as Attachment J ("TOP Amendment") and pay the Reservation Fee, as defined in the TOP Amendment. If Franchisee engages in providing at Third-Party Sites which are affiliated with an Affiliate Brand, Franchisor may reduce or waive the Reservation Fee.

However, Franchisee must conduct the business operations of Franchisee's Snapology Business from within Franchisee's Protected Area and, if applicable, the Approved Location (*i.e.*, Franchisee cannot locate the Approved Location or establish a primary or secondary office outside of the Protected Area). The marketing of Franchisee's Snapology Business must be targeted to Franchisee's Protected Area and, at all times, must conform and comply with, among other things, the restrictions set forth in Article 15 of this Agreement. Franchisee is prohibited from Direct Solicitation of customers and Third Party Sites outside of the Protected Area. The term "Direct Solicitation" refers to and means communications and/or contacts occurring through in person contact, telephone, mail, e-mail, direct mail, distributed print media, digital media and marketing directed toward customers, potential customers or referral sources of a Snapology Business or Third Party Sites. If i) the area in which the Third Party Sites are located outside of the Protected Area become another franchisee's protected area or ii) if Franchisor requests, in its sole discretion, without limitation, that Franchisee must immediately cease operations outside of the Protected Area, Franchisee must immediately surrender such Third Party Sites and cease providing Services to such Third Party Sites outside of the Protected Area. Further, regarding any other guidelines that may be established pertaining to offering Services outside of the Protected Area, Franchisee must satisfy and meet all other terms, conditions and policies that Franchisor may establish and/or modify from time to time as published in the Operations Manual. Nothing contained in this Section 3.F. shall expand either the non-exclusive franchise rights granted to franchisee in Article 1 of this Agreement or, Franchisee's Protected Area and, in the event of any inconsistency or conflict between the terms of this Section 3.F. and Article 1, Article 1 shall take precedence and govern.

G. Conversion and Split Territory.

(1) A Mobile Snapology Business may not establish a Discovery Center or operate or other retail location, or operate as a Classroom. If the Franchised Business is a Mobile Snapology and, if permitted by law, Franchisee may administratively manage the Franchised Business from an approved home Office located within the personal residence of Franchisee or, if Franchisee is other than an individual, the personal residence of an Owner of Franchisee. Under no circumstance may Franchisee offer and/or provide the Services from Franchisee's home Office, and such services shall only be performed at Third Party Sites. If Franchisee is not legally permitted to administratively operate Franchisee's Mobile Snapology from a home Office, then Franchisee shall

administratively operate the Franchised Business from a commercial Office (including but not limited to a co-working space) acceptable to Franchisor, approved by Franchisor in writing and, that conforms to and satisfies the terms and conditions of this Agreement and the Manual. The Office shall be identified in Attachment B, which shall be incorporated herein.

(2) If Franchisee requests from Franchisor, and Franchisor approves such request, Franchisee may split its Protected Area into two protected areas (each a “Split Territory”) for the sole purpose of developing a Discovery Center or Classroom in one of the Split Territories. Franchisee shall execute a then-current separate franchise agreement for such Center in one of the Split Territories and pay a Split Territory fee of 50% of the then-current initial franchise fee for a Discovery Center or Classroom (“Split Territory Fee”). Concurrent with such execution of the separate Discovery Center franchise agreement, this Agreement shall be amended to replace the Protected Area with the smaller remaining Split Territory. Franchisor’s written approval may be contingent on Franchisee’s compliance with this Agreement and any other agreement with Franchisor, Franchisee appointing a second Designated Manager for the Split Territory Center or Classroom (if required), and any other requirements Franchisor may institute at the time of the request.

(3) Franchisee shall not unilaterally convert the Franchised Business from the type indicated on the Summary Page and must obtain Franchisor’s consent. If Franchisee begins the Franchised Business as one designation (*i.e.*, a Mobile Snapology), and then converts it to another designation (*i.e.*, a Discovery Center or a Classroom), Franchisee shall be required to sign the then-current franchise agreement and pay the Split Territory Fee, which shall govern the converted Franchised Business. Upon signing the then-current franchise agreement, this Agreement shall terminate. Franchisor reserves the right to withhold consent to a conversion under this Section 3.G. if Franchisee is in material default of this Agreement, or is delinquent in timely paying monies owed to Franchisor or any of its affiliates.

4. DRAWINGS, CONSTRUCTION, AND RENOVATION.

A. Specifications and Drawings.

For a Center or a Classroom, you assume all cost, liability, and expense for developing, constructing, and equipping the Franchised Business. You must ensure that all plans and specifications comply with applicable law and ordinances, building codes, and permit requirements, and with your lease requirements and restrictions. You shall use only qualified registered architects, registered engineers, and professional and licensed contractors, all or some of which Franchisor may specifically designate or approve from time-to-time in the Manual. All construction must comply in all respects with the Standards and with applicable laws, ordinances, local rules, and regulations. Franchisor may, but is not required to, make available to Franchisee standard plans and specifications for fixtures, equipment, furnishings and signs to be used in connection with development of the Franchised Business- or identify a third-party vendor who shall provide these to you at an additional cost. Franchisee acknowledges that such standard design plans and specifications shall not contain the requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act (the “ADA”) or similar rules governing public accommodations or commercial facilities for persons with disabilities), compliance with which shall be Franchisee’s sole responsibility and at Franchisee’s sole expense.

You shall submit proposed construction plans, specifications, and drawings for the Franchised Business (“Plans”) to Franchisor and shall, upon Franchisor’s request, submit all revised or “as built” Plans during such construction. Franchisor will approve or refuse to approve the Plans and notify you in writing within 30 days after receiving the Plans. Once Franchisor has approved the Plans, the Plans shall not be materially changed without Franchisor’s prior written approval, which shall not be withheld unreasonably. You may not begin site preparation or construction before Franchisor has approved in writing the Plans. All

construction must be in accordance with Plans approved by Franchisor and must comply in all respects with the Standards and with applicable laws, ordinances, local rules, and regulations.

B. Acquisition of Necessary Furnishings, Fixtures and Equipment.

For all Snapology Businesses, you agree to use in the development and operation of the Franchised Business only the fixtures, furnishings, equipment, technology, signs, and items of décor that Franchisor has approved as meeting its specifications and Standards for quality, design, appearance, function, and performance, including without limitation the Indicia. You further agree to place or display at the Franchised Business location (interior and exterior) only those signs, emblems, lettering, logos, and display materials that Franchisor has approved in writing from time-to-time or as otherwise required in accordance with applicable law.

You shall purchase or lease approved brands, types, or models of fixtures, furnishings, equipment, and signs only from suppliers designated or approved by Franchisor. If you propose to purchase, lease or otherwise use any fixtures, furnishings, equipment, signs, or items of décor which have not been approved by Franchisor, you shall first notify Franchisor in writing and shall, at your sole expense, submit to Franchisor upon its request sufficient specifications, photographs, drawings, or other information or samples for a determination as to whether those fixtures, furnishings, equipment, or signs comply with Franchisor's specifications and Standards. Franchisor will, in its sole discretion, approve or disapprove the items and notify you within 30 days after Franchisor receives the request.

C. Commencement and Completion of Construction and Build Out.

For a Center and Classroom, construction shall be performed that satisfies the Standards set forth in the Manual. You must obtain our approval of and open the Franchised Business at the Approved Location by the Opening Date. We may grant extensions at our discretion, but we are not required to grant extensions. If events constituting Force Majeure cause a delay in the commencement of the construction or build out of the Franchised Business, Franchisor shall proportionately extend the date on which Franchisee is expected to transition operations from its home office to the Approved Location. "Force Majeure" means any natural disaster (such as tornadoes, earthquakes, hurricanes and floods), strike, lock-out, or other industrial disturbance, war (declared or undeclared), riot, government mandated closures due to epidemics and pandemics, fire, or other catastrophe, compliance with the orders, requests, regulations of any governmental authority having jurisdiction over a party or its business, and any other cause not within the control of the party affected thereby that materially and adversely affects such party's ability to perform its obligations under this Agreement. Financial inability of a party will not constitute an event of Force Majeure.

You agree, at your sole expense, to do or cause to be done the following before transitioning business operations to the Approved Location:

- (1) Obtain and maintain all required building, utility, sign, health, sanitation, business, and other permits and licenses applicable to the Franchised Business;
- (2) Make all required improvements to the Franchised Business location and decorate the exterior and interior in compliance with the Standards;
- (3) Purchase or lease and install all specified and required fixtures, equipment, furnishings, and interior and exterior signs required for the Franchised Business;
- (4) Purchase an opening inventory for the Franchised Business of only authorized and approved products and other materials and supplies; ~~and~~
- (5) Provide a summary of development costs to Franchisor in the format Franchisor requires; and
- ~~(5)~~(6) Deliver a copy of the lease and Lease Rider to Franchisor.

Franchisor reserves the right to delay Franchisee's transition to the Approved Location until it meets Franchisor's Standards.

D. Final Inspection.

For a Center and Classroom, you shall notify Franchisor in writing at least ten days prior to the date you expect construction or renovation to be completed and a certificate of occupancy to be issued. Upon Franchisor's request, you shall submit a copy of the certificate of occupancy to Franchisor. Franchisor reserves the right, after receiving your notice, to conduct a final inspection of the Franchised Business premises to determine your compliance with this Agreement. You shall not open the Franchised Business for business unless you have satisfied the conditions set forth in Article 5, below. Further, upon Franchisor's request, you agree to submit development costs of the Franchised Business to Franchisor in the format Franchisor requires.

5. OPENING

A. Opening Date.

For all Snapology Businesses, Franchisee must open the Franchised Business by the "Opening Date," which shall be 120 days from the Effective Date or the first month following successful completion of Franchisor's initial training program, whichever occurs first. For a Mobile Snapology, Franchisee may operate the Franchised Business out of an approved Office, provided that all services delivered to customers and third parties shall be conducted at Third-Party sites or other location outside of the Office that meets Franchisor's approval. For Discovery Centers and Classrooms where the Approved Location premises is still under construction as of the required Opening Date, Franchisee shall operate on a mobile basis and provide services at Third-Party sites or other approved locations until Franchisor approves the opening of the Approved Location. In other words, Franchisee shall essentially provide services as a Mobile Snapology until the premises of the Approved Location is available and approved by Franchisor to open.

For a Discover Center that is under construction, the Franchised Business must commence operations at the Approved Location within two hundred and forty (240) days from the Effective Date. For a Classroom where the Affiliate Brand's premises is generally constructed, and the Snapology portion of the Approved Location is being modified, the Franchised Business must commence operation on the premises within 120 days within the Effective Date. For Classroom where the Affiliate Brand's premises is not yet fully constructed, the Franchised Business must commence operations at the Approved location on the same day as the grand opening of the Affiliate Brand.

Time is of the essence in performance under this Section 5.A. If the Franchised Business is not open and operating by the Opening Date, Franchisor may, at its option, terminate this Agreement without providing any refund to Franchisee or opportunity to cure. However, neither party shall be responsible for non-performance or delay in performance occasioned by a Force Majeure event. Force Majeure shall not include Franchisee's lack of adequate financing, and no event of Force Majeure shall relieve Franchisee of the obligation to pay any money under this Agreement, including the Minimum Royalty Fee.

B. Opening Authorization.

For all Snapology Businesses, Franchisee shall provide Franchisor with (a) written notice of its specific intended opening date; and (b) request for Franchisor's approval to open on such date. Such written notice and request shall be made no later than thirty (30) days prior to such intended opening date. Franchisor will authorize the opening of the Franchised Business only after all of the following conditions have been fully satisfied:

- (1) You are not in material default under this Agreement or any other agreements with Franchisor; you are not in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to the Franchised Business; and you are not in default beyond the applicable cure period with any vendor or supplier of the Franchised Business;

(2) You are current on all obligations due to Franchisor, including payment of the Initial Franchise Fee, Minimum Royalty Fee (if applicable), Technology Fee, and any other fees then due;

(3) At least 30 days prior to your Opening Date and within 60 days of the Effective Date, your Designated Manager has attended and successfully completed Franchisor's initial training program and you have hired and trained your personnel in accordance with the requirements of this Agreement, including without limitation ensuring that your personnel have obtained all required training and certifications;

(4) Franchisor has been furnished copies of all insurance policies required by Article 16 of this Agreement, and all such insurance is in full force and effect;

(5) You have satisfied all bonding, licensing, and other legal requirements for the lawful operation of your Snapology Business, including, without limitation, by ensuring that your planned membership offerings follow the Franchised Business' opening and your forms of membership agreement comply with applicable law;

(6) You have executed and delivered to Franchisor the Telephone Number Assignment Agreement attached hereto as Attachment F;

(7) You have executed and delivered to Franchisor the ACH Agreement attached hereto as Attachment H for the Franchisee entity operating under this Franchise Agreement;

(8) You have obtained initial inventory ~~of~~ and equipment package and other supplies to open, and paid any amounts due to Designated Suppliers, or Franchisor or Affiliate;

(9) You have obtained training and access to the BMS;

(10) You have conducted or are conducting the grand opening advertising, as described in Section 15.B according to our Standards; and

(11) You have complied with all other of Franchisor's pre-opening requirements, conditions and procedures (including, without limitation, those regarding pre-opening scheduling, training, and communications) as set forth in this Agreement, the Manuals, and/or elsewhere in writing by Franchisor.

In addition to the above, for Discovery Centers and Classrooms, Franchisor will authorize the opening of the Franchised Business at the Approved Location only after all of the following conditions have been fully satisfied:

(12) You have obtained all permits, certificate of occupancy, and certifications required for the lawful operation of the Franchised Business and shall certify in writing to Franchisor that all such permits and certifications have been obtained;

(13) You shall comply with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA, regarding the Approved Location. In the event you receives any complaint, claim, other notice alleging a failure to comply with the ADA, you shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof; and

(14) You have provided a copy of the Lease and Lease Rider to Franchisor, and if the tenant under the Lease is different from the Franchisee entity herein, execute Franchisor's then-current form of assignment and assumption agreement and general release.

Franchisee shall ensure its operations meet the requirements of the space in which the Franchised Business is operating, whether imposed by a lease, other agreement, or rules imposed by the landlord or other party controlling the space.

At all times, the Franchised Business shall:

2) 120 days from the Effective Date of the Franchise Agreement; and

(b) for a Snapology Classroom in an Affiliate Brand's premises that is not yet constructed or under construction, "Month 1" automatically commences at the earlier of 1) the grand opening of your Affiliate Brand franchise, or 2) the first day of the month following completion of our initial training program.

Renewal Term: During any applicable renewal term, the Minimum Royalty Fee shall not be less than the Minimum Royalty Fee applicable in month 61 as set forth in this schedule and shall be subject to increase as determined by Franchisor provided that within each calendar year of any renewal term Franchisor shall not increase the Minimum Royalty Fee by more than \$100 per month.

The Minimum Royalty Fee is not subject to and is not contingent on Franchisees Gross Sales or financial performance. Royalty Fee payments will be paid monthly by ACH and/or electronic funds transfer and are due on a day that Franchisor designates each month for the preceding month and each month thereafter throughout the entire Term of this Agreement (including any applicable renewal terms, and, notwithstanding any termination of this Agreement) or for such other period that Franchisor may designate, as described below in Section 6.G. Upon Franchisor's request, regardless of whether Franchisee is subject to the Minimum Royalty Fee, Franchisee must submit to Franchisor financial reports including Gross Sales in the manner specified by Franchisor.

C. Administrative Fees.

~~You~~In addition to the Royalty Fee and any other fees charged in this Agreement, you are required to pay to Franchisor certain administrative fees each month related to support services provided to the Franchised Business, as follows:

(1) Call Center: If Franchisor establishes or designates a centralized call center for Snapology Businesses operating in the United States ("Call Center"), you must pay Franchisor or the designated provider the then-current fee for Call Center services (the "Call Center Fee"). Both the services and the associated fee may be revised from time to time. The Call Center program may include commissions for scheduling customers for classes and soliciting prospective customers for the Franchised Business, and for corporate and special events. Policies and procedures related to bookings through the Call Center, including your obligations with respect to such bookings and related commissions, will be set forth in the Manual, as it may be amended by Franchisor from time to time. Fees that are collected by Designated Suppliers of services related to the Call Center are established by such Designated Suppliers and will vary depending on the number of licenses provided to your Franchised Business and the overall number of licenses provided to Snapology Businesses operating in the United States. As of the Effective Date, which may be subject to change as indicated above, the "Call Center Fee" shall be comprised of Franchisee's pro rata share of Franchisor's cost of operating, administering and upgrading the call center for the benefit of Snapology Businesses operating in the United States, which includes certain fees that we collect and pay to our Designated Suppliers on Franchisee's behalf, including Franchisee's access to the license for our approved providers of event lead generation and management, donation support and customer service inquiries (as set forth in the Manual), fees related to maintenance of the call center telephone system and commissions for soliciting and booking birthday parties, corporate events and special events, as follows, which may be amended from time to time:

- (i) Birthday Parties: \$5 commission for each birthday party booked by the call center for the Franchised Business and an additional \$5 commission for each \$50 upsell related to such birthday party (provided commissions related to upsells will not exceed \$10 per birthday party); and

(ii) Corporate and Other Special Events: If the call center books a special event (e.g. corporate event, summer children’s camp, reception or social gathering other than a child’s birthday party), then Franchisee will pay to Franchisor 5% of the Gross Sales collected for such special event. Policies and procedures related to bookings through the call center, including Franchisee’s obligations with respect to such bookings and related commissions, are set forth in the Manual, as may be amended by Franchisor from time to time. Fees that are collected by Designated Suppliers of services related to the call center (as described above) are established by such Designated Suppliers and will vary depending on the number of licenses provided to the Franchised Business and the overall number of licenses provided to per Snapology Business in the United States, but, as of the Effective Date, are \$75 to \$150 per month per Snapology Business, exclusive of commissions.

(2) Membership Program. Franchisor has the right to establish a multi-tier membership program for Snapology Businesses (the “Membership Program”), as further described in Section 11.P. If established, you are obligated to participate in the Membership Program in accordance with the terms set forth in this Agreement and the Manual. All Membership Program fees you collect from members will be included in your Gross Sales and subject to the monthly Royalty Fee and other fees based on Gross Sales described in this Agreement.

(3) Technology Fee. You must pay Franchisor, Franchisor’s affiliates, or Franchisor’s designee, a Technology Fee, as specified in the Summary Page and Section 11.E below, on a monthly and on-going basis throughout the Term of this Agreement to access and utilize the BMS and other technologies designated by Franchisor. Franchisor, in its sole discretion, may increase the Technology Fee to up to \$500 per month upon notice to Franchisee.

(4) Payments to Affiliates. If any of our Affiliates provides products and services to you, whether under a separate agreement or otherwise, you must promptly pay any and all outstanding invoices and other payments to such Affiliate. Late or non-payment of our Affiliate invoices is a breach of this Agreement, and any such overdue and unpaid invoices to our Affiliates become payable and an outstanding obligation under this Agreement, which is subject to default and termination under Article 18.

(5) Supplemental Curriculum – Franchisee shall exclusively utilize the Curriculum in the operation of the Franchised Business and the Services offered by the Franchised Business. Subject to the terms of this Agreement and Franchisee’s compliance with the terms of this Agreement, Franchisor shall provide Franchisee with access to the Curriculum for use in offering and providing the Services, including any updates to the Curriculum. The Curriculum shall be provided to Franchisee at no additional cost to Franchisee. If Franchisee elects to expand or enhance the service offerings, lesson plans, course work, curriculum or programs that Franchisee offers as a part of the Services, Franchisee shall do so exclusively through the Supplemental Curriculum that Franchisor may make available from time to time. Franchisee shall pay to Franchisor a fee for access to the Supplemental Curriculum at such rates and amounts as determined by in its sole discretion and published by Franchisor in the Manual or other written correspondence.

D. National Advertising Fund.

Upon 30 days’ notice to Franchisee, Franchisor may implement, and thereafter will administer and control the National Advertising Fund (“NAF”) for Snapology Businesses in the United States. You will pay to Franchisor a continuing, non-refundable monthly contribution to the NAF, which is the greater of \$100 per month or 5% of monthly Gross Sales (“NAF Contribution”). Franchisor reserves the right to suspend collection of the NAF Contribution or increase the NAF Contribution at any time, provided that (i) the NAF Contribution will not exceed 5% of Gross Sales, and (ii) the sum of the NAF Contribution,

Advertising Cooperative contribution, and required Local Marketing Expenditure will not exceed 6% of Gross Sales during any 12-month period.

E. Conferences.

Franchisor may, at its sole option, conduct conferences to discuss System developments including operational efficiency, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs, merchandising procedures, and such other matters as Franchisor may identify. Attendance at such conferences by your Designated Manager or general manager may be made mandatory by Franchisor. If you are currently in default of this Agreement then Franchisor may, at its option, prohibit you and your Designated Manager's attendance at such conferences. You are responsible for all costs and expenses associated with attendance including, without limitation, compensation, travel, accommodations, wages, and meals for conference attendees. Franchisor reserves the right to charge a conference fee up to \$1,000~~500~~ per attendee ("Conference Fee"), which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year, which is due upon Franchisor's invoice to you. If your attendance is required and you fail to attend or send a representative in your place to attend the conference, then Franchisor reserves the right to charge you a conference materials fee of \$1,000 to provide you the training materials from the conference in a format of Franchisor's choosing.

F. Payment for Products and Services.

You agree to pay Franchisor and/or its affiliates for all purchases of merchandise, equipment, supplies, and services from Franchisor and its affiliates, in accordance with the seller's then-current prices, terms and conditions of sale, and credit policies for Snapology Businesses. Franchisor and its affiliates reserve the right to refuse orders from or deny delivery of products and services to any Snapology Business with a past due balance. Franchisor and its affiliates have the right to change their prices, terms and conditions of sale, and credit policies on reasonable notice. Franchisor reserves the right to pass through payment processor and merchant fees for payment processors it designates. If Franchisor elects, you will be charged each month a payment card processing fee, which represents your pro rata share of the system-wide fee assessed by Franchisor's designated payment card processor based on the volume of credit card payments you receive.

G. Payment Method.

You must participate in Franchisor's then-current electronic funds transfer program authorizing Franchisor to utilize a pre-authorized bank draft system and sign the ACH Authorization form attached hereto as Attachment H. Except as otherwise specified, all Royalty Fees and other amounts owed under this Agreement, including interest charges, are payable monthly and must be received by Franchisor or credited to Franchisor's account by pre-authorized bank debit before 5:00 p.m. on the date such payment is due, as specified in the Manual (the "Due Date"). On each Due Date, Franchisor will transfer from your commercial bank operating account ("Account") the fees due pursuant to this Section 6 based on the Gross Sales reported to Franchisor by you or as determined by Franchisor by the records contained in the cash registers/computer terminals of the Franchised Business. Declining or revoking participation (directly or indirectly) your participation in Franchisor's then-current electronic funds transfer program is a material breach of this Agreement for which Franchisor may terminate your agreement. Franchisor reserves the right to charge an NSF check fee (for failed electronic funds transfer) of 5% of the declined amount of unpaid amounts owed or \$50, whichever is greater, or the maximum fee allowed by law.

For the sake of clarity, you must include in Gross Sales all revenue you receive in connection with the operation of the Franchised Business, including without limitation disbursements you receive from any third party sales platform (e.g., Groupon), in each case whether authorized or unauthorized (provided, Franchisor's acceptance of fees paid by Franchisee in connection with unauthorized programs or third party service providers will not constitute a waiver of any right or remedy of Franchisor under this Agreement or

J. Partial Payments.

No payment by you or acceptance by Franchisor of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Your payments of a lesser amount than due with an endorsement, statement, or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect and Franchisor may accept the partial payments without prejudice to any rights or remedies it may have against you. Acceptance of payments by Franchisor other than as set forth in this Agreement or a waiver by Franchisor of any other remedies or rights available to it pursuant to this Agreement shall not constitute a waiver of Franchisor's right to demand payment in accordance with the requirements of this Agreement or a waiver by Franchisor of any other remedies or rights available to it pursuant to this Agreement or under applicable law. Notwithstanding any designation by you, Franchisor shall have the sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, purchases from Franchisor or its Affiliates, interest, or any other indebtedness. Franchisor has the right to accept payment from any other entity as payment by you. Acceptance of that payment by Franchisor will not result in that other entity being substituted as franchisee under this Agreement.

K. Collection Costs and Expenses.

You agree to pay Franchisor on demand all costs and expenses incurred by Franchisor in enforcing the terms of this Agreement including, without limitation, collecting any monies that you owe to Franchisor. These costs and expenses include, without limitation, costs and commissions due a collection agency, **reasonable** attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Business, court costs, expert witness fees, discovery costs, and **reasonable** attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

L. Pre-Opening Gross Sales.

If Franchisor approves your Franchised Business to engage in pre-opening sales of memberships, then such pre-opening sales will be conducted in accordance with the Standards set forth in the Manual. In such case, Franchisee will pay Franchisor a Royalty Fee, NAF Contribution, and such other fees payable to Franchisor under this Article 6 in accordance with the terms and conditions described above on all Gross Sales of the Franchised Business in connection with such pre-opening sales.

M. Designated Accountants and Fees.

If required by Franchisor, Franchisee shall use a certified public accountant service designated or approved by Franchisor for bookkeeping and financial records management of the Franchised Business. Franchisee shall pay such service provider or Franchisor, as directed by Franchisor, a fee for these services for each month in such **reasonable** amount as the service provider or Franchisor may periodically designate.

N. No Subordination.

Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the Royalty Fees and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

7. RECORDKEEPING AND REPORTS

A. Recordkeeping.

You agree to use computerized cash and data capture and retrieval systems that meet Franchisor's specifications and to record Franchised Business sales electronically or on tape for all sales at or from the Franchised Business premises. You shall keep and maintain, in accordance with any procedures set forth in the Manual, complete and accurate books and records pertaining to the Franchised Business in the format and using the accounting software that Franchisor requires. Your books and records shall be kept and maintained using generally accepted accounting principles in the United States ("GAAP"). You shall preserve all of your books, records, and state and federal tax returns for at least five years after the later of

preparation or filing (or such longer period as may be required by any governmental entity) and make them available and provide duplicate copies to Franchisor within five days after Franchisor's written request. Upon Franchisor's request, you shall provide all organizational documents of the Franchisee, your lease for the Approved Location, and such other records as Franchisor may reasonably require.

B. Periodic Reports and Retention of Records.

You shall, at your expense, submit to Franchisor in the form prescribed by Franchisor a monthly profit and loss statement and balance sheet (both of which may be unaudited). Each statement and balance sheet shall be signed by you, your treasurer, or chief financial officer attesting that it is true, correct, and complete and uses accounting principles applied on a consistent basis which accurately and completely reflects the financial condition of the Franchised Business during the period covered. Where Franchisor authorizes Franchisee to use the services of a third-party sales platform (e.g. Groupon), Franchisee must execute an authorization in the form prescribed by Franchisor that permits Franchisor to access the sales made by such third party sales platform and the disbursements paid to Franchisee at least monthly.

With respect to the operation and financial condition of the Franchised Business, Franchisor may require that Franchisee adopt, until otherwise specified by Franchisor, a fiscal year that coincides with Franchisor's then-current fiscal year, as specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall maintain for a period of not less than seven (7) years during the term of this Agreement, and, for not less than seven (7) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing, including but not limited to: (i) daily transaction reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements and weekly payroll journal and schedule; (iv) monthly bank statements, deposit slips and cancelled checks; (v) all tax returns; (vi) suppliers' invoices (paid and unpaid); (vii) dated daily and weekly transaction journal; (viii) semi-annual fiscal period balance sheets and fiscal period profit and loss statements; and (ix) such other records as Franchisor may from time to time request.

C. Other Reports.

You shall submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at times and places reasonably required by Franchisor, upon request and as specified from time-to-time in the Manual or otherwise in writing. At Franchisor's request, you shall furnish to Franchisor a copy of all federal and state income tax returns reflecting revenue derived from the operation of the Franchised Business, and copies of all sales tax returns, filed with the appropriate taxing authorities.

D. Inspection and Audit Rights.

Franchisor or its designee shall have the right at all reasonable times, both during and for a period of five years after the Term, to inspect, copy, and audit your books, records, and federal, state, and local tax returns, sales tax returns and such other forms, reports, information, and data as Franchisor reasonably may designate, applicable to the operation of the Franchised Business. If an inspection or audit discloses an understatement of Gross Sales, you shall pay Franchisor, within ten days after receipt of the inspection or audit report, the deficiency in the Royalty Fees plus interest (at the rate and on the terms provided in Section 6.F.) from the Due Date until the date of payment. If an inspection or audit is made necessary by your failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records, or information on a timely basis, or if an understatement of Gross Sales for the period of any inspection or audit is determined to be greater than 2%, you also shall reimburse Franchisor for the ~~reasonable~~actual cost of the inspection or audit including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, accommodations, meals and compensation of Franchisor's employees or designees involved in the inspection or audit. These remedies shall be in addition to all other remedies and rights available to Franchisor under this Agreement and applicable law.

Franchisor may also require you to participate in brand-wide management and reporting systems, which you must contribute requested data and otherwise participate in. Upon execution of this Agreement, you must also execute Attachment I, the Dashboard Access Agreement, which gives you access to Franchisor's current reporting system. You may be required to participate in other systems in the future, which you must participate in and incorporate into your reporting procedures at your own cost and expense.

E. Accounting Practices.

If you fail to comply with any of the reporting requirements described in this Article 7 then Franchisor may require you to engage a bookkeeping service provider, designated or approved by Franchisor, to provide bookkeeping services for the Franchised Business for such period of time that Franchisor deems appropriate, in its sole discretion.

8. TRAINING AND ASSISTANCE.

A. Training.

Franchisor will provide an initial training program at its headquarters or such other location as Franchisor may designate. Your Designated Manager and such other of your management personnel as Franchisor may reasonably require must attend and successfully complete the initial training program before the Franchised Business may open for business. "Designated Manager" means the individual identified in Attachment C and that satisfies the requirements and conditions set forth in Section 11.K. There is no charge for up to two individuals (including the Designated Manager) to attend the initial training program. At your request, Franchisor may permit additional individuals to attend the same training program (subject to certain conditions, as set forth in the Manual), provided there is availability for additional participants in the training program and, if approved, you pay to Franchisor its then-current training fee as published in the Manual from time-to-time. If Franchisee is other than an individual, Franchisor may require (in addition to the training of the key personnel identified in Attachment C and the Designate Manager) that any or all owners of beneficial interests in Franchisee (each a "Owner"), who are individuals and own more than a ten percent (10%) beneficial interest in Franchisee, attend and successfully complete, to Franchisor's satisfaction, such portions of the initial training program as determined by Franchisor appropriate for Owners not involved in the day-to-day operations of the Franchised Business.

Your Designated Manager, general manager, and other Franchised Business personnel shall attend and successfully complete to Franchisor's satisfaction all safety training courses and programs that Franchisor requires from time-to-time, including, without limitation, all training that may be required by the state or local municipality where your Franchised Business is located, and shall maintain such certifications at all times throughout the Term. Franchisor may charge, and you agree to pay, a ~~reasonable~~ then-current additional training fee or tuition for all safety training courses and programs that it provides plus, when applicable, reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such training, including travel, accommodations and meals for the individual(s) providing such training.

Your Designated Manager shall be responsible for training your employees in all aspects of Franchised Business operations in accordance with the Standards set forth in the Manual. If Franchisor determines that the training provided by Franchisee or Designated Manager does not satisfy Franchisor's standards and requirements, or that any newly trained individual is not trained to Franchisor's standards, then Franchisor may require that such newly trained individual(s) attend and complete an initial training program provided by Franchisor prior to the opening of the Franchised Business.

Franchisor may, in its sole discretion, require your Designated Manager and other of your management personnel to attend and complete, to Franchisor's satisfaction, such other additional and remedial training as Franchisor may from time-to-time reasonably deem necessary. By way of example and not limitation, remedial training may be required if you repeatedly fail to comply with the quality and service Standards set forth in the Manual, fail to comply with reporting requirements of this Agreement or

receive significant customer complaints. Franchisor may charge, and you agree to pay, a ~~reasonable then-current training~~ fee for each day of additional or remedial training provided plus, when applicable, reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such training, including travel, accommodations and meals for the individual(s) providing such assistance.

For a Mobile Snapology, Discovery Center, or a Classroom to be immediately installed in an existing Affiliate Brand's premises, you or your Designated Manager must complete initial training within 60 days of the Effective Date. For a Classroom in development within an Affiliate Brand's premises, you or your Designated Manager must complete initial training at least 90 days before the scheduled grand opening of the Classroom or as required by Franchisor, who shall evaluate opening based on Affiliate Brand's premises opening, whichever is earlier.

You are responsible for all costs and expenses of complying with Franchisor's training and certification requirements including, without limitation, tuition, fees, and registration costs, as well as compensation, wages, travel, accommodations and meals for all personnel who participate in the training.

B. New or Replacement Designated Manager.

In the event that Franchisee's Designated Manager ceases active employment in the Franchised Business, Franchisee shall enroll a qualified replacement who is reasonably acceptable to Franchisor in Franchisor's training program reasonably promptly (within 30 days) following cessation of employment of said individual. Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for any such training conducted by Franchisor. In the alternative, with respect to training a replacement Designated Manager, Franchisee may train such replacement(s) in accordance with Section 8.C. below. The replacement Designated Manager and/or any required managers shall complete the initial training program as soon as is practicable and in no event later than any time periods as Franchisor may specify from time to time in the Manuals and otherwise in writing. Franchisor reserves the right to review any Franchisee trained personnel and require that such persons attend and complete, to the satisfaction of Franchisor, the initial training program offered by Franchisor at a location designated by Franchisor.

C. Training by Franchisee of Additional or Replacement Managers.

Franchisee shall have the option of training any additional Designated Manager (following the training of the first Designated Manager by Franchisor) at the Franchised Business or other Snapology Business operated by Franchisee or its Affiliates, provided that Franchisee is in compliance with all agreements between Franchisee and Franchisor and further provided that the training is conducted: (a) by the Designated Manager or other personnel who has completed Franchisor's initial training program to the satisfaction of the Franchisor (and who remains acceptable to Franchisor to provide such training) and (b) in accordance with any requirements or standards as Franchisor may from time to time establish in writing for such training. In the event Franchisor conducts such training, Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for training.

D. Conference.

Franchisor (or its designated Affiliate) may, at its sole option, conduct conferences to discuss System developments including operational efficiency, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs, merchandising procedures, and such other matters as Franchisor may identify. Attendance at such conferences by Franchisee, and other key personnel identified by Franchisor, may be made mandatory by Franchisor. If Franchisee is currently in default of this Agreement, then Franchisor may, at its option, prohibit Franchisee and its representatives' attendance at such conferences. Franchisee is responsible for all costs and expenses associated with attendance including, without limitation, compensation, travel, accommodations, wages, and meals for conference attendees. Franchisor reserves the right to charge a "Conference Fee" ~~between \$500 and \$1,000 per attendee~~, which is due upon Franchisor's invoice to Franchisee. In addition to payment of the Conference Fee, Franchisee is responsible for wages, travel, lodging, and other fees and costs for Franchisee and its personnel to attend

B. The Manual is Confidential.

Franchisee shall treat the Manuals, any other materials created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all ~~reasonable~~ best efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. You shall not download, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by the Franchisor. You agree to maintain the Manual at the Franchised Business, to treat the Manual as strictly confidential and proprietary, and to disclose the contents of the Manual only to those employees who have a need to know in connection with the operation of the Franchised Business.

C. Revisions to the Manual.

Franchisor, at its sole discretion, may supplement, amend, or modify the Manual from time-to-time through any of the foregoing methods of communication concerning the System to reflect changes in the image, specifications, and standards relating to developing, equipping, furnishing, and operating a Snapology Business, including without limitation products and services that may be offered to customers, all of which will be considered part of the Manual and will, upon delivery to you, become binding on you as if originally set forth in the Manual or in this Agreement. You must keep your copy of the Manual current and up-to-date with all additions and deletions provided by or on behalf of Franchisor, and you must purchase whatever equipment and related services (including, without limitation, sound system, lighting, computer system, internet service, dedicated phone line, and such other hardware and software and related technology solutions and components as we may prescribe) as may be necessary to receive these communications. Franchisee expressly agrees to comply with each new or changed standard in the Manual. If a dispute relating to the contents or interpretation of the Manual develops, the master copy maintained by Franchisor at its principal offices shall control.

D. Franchisor's Property.

The Manuals shall remain the sole property of Franchisor and shall be accessible only from a secure place. Upon termination or expiration of this Agreement, you shall immediately return the Manual without retaining any copies thereof.

10. MODIFICATIONS OF THE SYSTEM

Franchisor may, at its sole option, change or modify from time-to-time the System, any components of this System, and the requirements applicable to you by means of supplements or amendments to the Manual, including, but not limited to, modifications to the Manual, BMS, Curriculum, Services, Supplies, the required equipment, the signage, the building and premises of the Franchised Business (including the trade dress, décor, and color schemes), the presentation of the Proprietary Marks (including requiring additional or replacement Proprietary Marks), and other characteristics to which you are required to adhere (subject to the limitations set forth in this Agreement); adoptions of new administrative forms and methods of report and of payment of any monies owed by Franchisee (including electronic means of reporting and payment); alterations of the products, services, programs, methods, standards, accounting and computer systems, forms, policies and procedures of the System; and additions to, deletions from, or modifications to the products and services your Franchised Business is authorized or required to offer; and additions, changes, improvements, modifications, substitutions to, of, from, or for the Proprietary Marks or copyrighted materials. You must accept and implement at the Franchised Business any such changes or modifications in the System as if they were a part of the System at the time you executed this Agreement, and you must make such expenditures as the changes or modifications in the System reasonably require.

Because enhancing Snapology's competitive position and consumer acceptance for the brand's products and services is a paramount goal of Franchisor and its franchisees, and because this objective is consistent with the long-term interest of the System overall, Franchisor may exercise certain rights, to the fullest extent permitted by then-applicable law, with respect to pricing of products and services offered for

the right, but is not obligated, to enter upon the premises of Discovery Center, Classroom, or Service Vehicle and effect maintenance and refurbishing on Franchisee's behalf, and Franchisee must pay the entire cost to Franchisor on demand. In lieu, Franchisor may also require Franchisee to shutter the Franchised Business until such required maintenance or refurbishment is conducted according to Franchisor's specifications.

11. PERFORMANCE REQUIREMENTS

A. Best Efforts

Your Designated Manager (see Section 11.K below) must use full time and best efforts in the operation of the Franchised Business and must personally supervise the day-to-day operation and management of the Franchised Business. An Owner may be the Designated Manager.

B. Standards, Specifications and Procedures.

You agree to comply with all System specifications, standards, and operating procedures (whether contained in the Manual or any other written communication, or communicated in training) relating to the appearance, operation, customer experience, function, safety and cleanliness of a Snapology Business, including without limitation: (1) the types of programs offered; (2) uniformity, pricing and type of all products, Supplies, and Services offered for sale at the Franchised Business; (3) sales and marketing procedures and customer service; (4) advertising and promotional programs; (5) Membership Programs (including compliance with the terms and formats of membership agreements in the form prescribed by Franchisor), customer loyalty programs and gift card programs; (6) layout, décor, and color scheme of the Franchised Business and Approved Location; (7) qualification and training of personnel; (8) submission of requests for approval of brands of products, supplies, and suppliers; (9) use and illumination of signs, posters, displays, standard formats, and similar items; (10) use of audio equipment and type and decibel levels of music; (11) use of video equipment and type and decibel level of television broadcasts (including closed captioning requirements); (12) programming offered by the Franchised Business; and (13) types of fixtures, furnishings, computer systems, equipment, small wares, and packaging. Mandatory specifications, standards, and operating procedures, including upgraded or additional equipment (including Computer Systems, as defined below) that Franchisor prescribes from time-to-time in the Manual or otherwise communicates to you shall constitute provisions of this Agreement as if fully set forth in this Agreement.

Franchisee shall not make any material alterations to Franchisee's Supplies, Snapology Service Vehicle, if any, and/or, if applicable, the premises of the Discovery Center or Classroom. Franchisee shall not make any unapproved replacements of or material alterations to the furniture, fixtures, equipment, designs or signs comprising or being a part of Franchisee's Discovery Center or Classroom, Supplies, or Snapology Service Vehicle. Franchisor has the right, in Franchisor's sole discretion and at the sole expense of Franchisee, to rectify any material alterations to Franchisee's Discovery Center or Classroom, and to remove Supplies not previously approved by Franchisor or contrary to the specifications and standards of Franchisor as contained in the Operations Manual. Franchisor will provide written notice to Franchisee and grant Franchisee a reasonable period of time to rectify and correct the material alteration before Franchisor makes the correction. Franchisor and Franchisee agree that the foregoing provisions of this paragraph are solely for the purpose of maintaining Franchisor's brand standards and that they do not relate, in any way, to maintenance or repairs related to customer or public safety - which is and shall remain the sole and exclusive obligation of Franchisee and within Franchisee's discretion.

C. Designated Suppliers and Distributors.

You must purchase from us or from suppliers or distributors we designate (each a "Designated Supplier") all of your requirements for developing, constructing, and operating the Franchised Business including, but not limited to: (1) fixtures, furniture and other furnishings, equipment, supplies, point-of-sale systems, merchant processing systems, signs, items of décor, architect services, paper products, and other products; (2) uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing

our Proprietary Marks); (3) advertising, point-of-purchase materials, and other printed promotional materials; (4) gift certificates and stored value cards; (5) stationery, business cards, contracts, and forms; (6) bags, packaging, and supplies bearing the Proprietary Marks; (7) insurance from our Designated Supplier and approved carriers or brokers, to the extent permitted by law; (8) local and regional marketing services through our Designated Supplier, if applicable; (9) reputation management and customer service satisfaction evaluations, and other surveys, (10) real estate brokers, (11) architects, and (12) other hardware, software, products, and services that we require. We reserve the right to modify, add, and discontinue use of such suppliers or distributors at any time at our sole discretion. You agree to promptly comply with all such requirements within our designated timeframe, and at your sole expense.

Franchisor may, at its sole option, enter into supply contracts either for all Snapology Businesses or a subset of Snapology Businesses situated within one or more geographic regions (each a “Systemwide Supply Contract”). Franchisor may enter into Systemwide Supply Contracts with one or more vendors of products, services, or equipment and may require all company-owned and franchised Snapology Businesses in a geographic area to purchase from or use such vendors. If Franchisor enters into such Systemwide Supply Contracts, then immediately upon notification, you must purchase or use the specified product, service, or equipment, as applicable, only from the Designated Supplier for such Systemwide Supply Contract; provided, however, that if, at the time of such notification, you are already a party to a non-terminable supply contract with another vendor or supplier for the designated product, service, or equipment, then your obligation to purchase from or use Franchisor’s Designated Supplier under the Systemwide Supply Contract will not begin until the scheduled expiration or earlier termination of your pre-existing supply contract. Franchisor makes no representation that it will enter into any Systemwide Supply Contracts or other exclusive supply arrangements or, if it does, that you will not otherwise be able to purchase the same products or services at a lower price from another supplier. Franchisor may add to, modify, substitute or discontinue Systemwide Supply Contracts or exclusive supply arrangements in the exercise of its sole discretion and business judgment. If Franchisor enters into a Systemwide Supply Contract or such other contracts with a Designated Supplier (e.g., point-of-sale systems, music licenses, Membership Programs), then you agree to pay Franchisor on a monthly basis (via ACH or Franchisor’s then-current electronic payment program and on the Due Date for the Royalty Fee collected under this Agreement), or such other basis as reasonably determined by Franchisor, your pro rata share of such payments due to such Designated Supplier under the Systemwide Supply Contract regardless of whether there is a participation agreement or similar agreement in effect to which you are a party.

Franchisor may also establish commissaries and distribution facilities owned and operated by Franchisor or its Affiliate that Franchisor may deem a Designated Supplier. Franchisor may receive money or other benefits, such as rebates or conference sponsorships, from Designated Suppliers based on your purchases; you agree that Franchisor has the right to retain and use all such benefits as it deems appropriate, in its sole discretion.

Franchisor may approve one or more suppliers for any products and services and may approve a supplier only as to certain products and services. Franchisor may concentrate purchases with one or more suppliers or distributors to obtain lower prices and the best advertising support and services for any group of Snapology Businesses or any other facilities franchised or operated by Franchisor or its Affiliates. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, corporate social responsibility policies or other criteria as set forth in the Manual, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by Franchisor.

If you propose to purchase from a previously unapproved source, you shall submit to Franchisor a written request for such approval or shall request the supplier to submit a written request on its own behalf. Franchisor has the right to require, as a condition of its approval, that its representatives be permitted to sample the product and inspect the supplier’s facilities, and that such information, specifications, and samples as Franchisor reasonably requires be delivered to Franchisor and to an independent, certified

laboratory designated by Franchisor for testing prior to granting approval. A charge not to exceed the ~~reasonable~~actual cost of the inspection and product testing and the actual cost of the test shall be paid by you (“Supplier Testing Fee”). Franchisor will notify you within 120 days of your request as to whether you are authorized to purchase such products from that supplier; Franchisor’s failure to respond constitutes rejection of the proposed supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such Designated Supplier and to revoke its approval of any supplier upon the suppliers’ failure to meet Franchisor’s criteria for quality and reliability. If Franchisor revokes approval of such Designated Supplier, you must promptly discontinue use of that supplier.

D. Authorized Products and Services.

You shall cause the Franchised Business to offer all products and services that Franchisor requires and only offer the products and services that Franchisor has authorized in writing. For the sake of clarity, you may not “co-host” programs at your Franchised Business (e.g., after-school programs and student camps organized by third party service providers for which the Franchised Business serves as a “host venue”) without Franchisor’s prior written authorization. Franchisor may add, modify, and discontinue authorized products and services at any time, in its sole discretion, and you shall promptly comply with all directives. The Franchised Business shall begin offering for sale additional, upgraded or modified products and services and cease offering discontinued products and services within ten days of the date you receive written notice of the addition, modification, or discontinuance. All products and services offered for sale by the Franchised Business shall meet Franchisor’s Standards. You shall discontinue selling and offering for sale any products and services which Franchisor shall have disapproved, in writing, even if Franchisor has previously approved its use.

ALTHOUGH APPROVED OR DESIGNATED BY FRANCHISOR, FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, FRANCHISOR DISCLAIMS ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS SUPPLIED BY ANY DESIGNATED SUPPLIER OR SUPPLIER APPROVED BY FRANCHISOR. FRANCHISOR’S APPROVAL OF OR CONSENT TO ANY PRODUCTS OR SERVICES, ANY SUPPLIER THEREOF OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM WILL NOT CREATE ANY LIABILITY TO FRANCHISOR.

With respect to party supplies, merchandise, and other items required for the operation of the Franchised Business, you shall always maintain an inventory of such products sufficient in quality and variety to realize the full potential of the Franchised Business. Franchisor may, from time-to-time, conduct market research and testing to determine consumer trends and the salability of new products and services. You agree to cooperate in these efforts by participating in customer surveys and market research programs if requested by Franchisor. All customer surveys and market research programs will be at Franchisor’s sole cost and expense, unless you have volunteered to participate in the survey or market research and to share your proportionate cost. You may not test any new product or service without Franchisor’s prior written consent.

You shall not permit to be installed at the Franchised Business premises any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine, or any other music, film, or video device not authorized by Franchisor.

In the event Franchisee sells any products, premiums, novelty items, clothing, souvenirs or performs any services that Franchisor has not prescribed, approved or authorized, Franchisee shall (i) cease and desist offering or providing the unauthorized or unapproved product, premium, novelty item, clothing, souvenir or from performing such services and (ii) pay to Franchisor, on demand, a prohibited product or

or supplies that do not conform to the Standards and requirements promulgated by Franchisor from time-to-time. Franchisor shall have the right to develop and implement a grading system for inspections and, to the extent such a system is implemented, if the Franchised Business fails to achieve a passing score on any inspection, Franchisor may require your key personnel identified in Attachment C and other Franchised Business personnel to attend and participate in such additional training as Franchisor deems appropriate. If the Franchised Business fails to achieve a passing score on any two consecutive inspections or if the Franchised Business fails to achieve a passing score three or more times in any 12-month period, Franchisor may terminate this Agreement in accordance with Article 18.

These inspections may take the ~~forms~~form of quality assurance inspections and mystery shops. To the extent Franchisor ~~engages~~utilizes any of its employees, representatives, or a third-party service for conducting quality assurance inspections and mystery shops, you must reimburse Franchisor its actual costs of the mystery shop, including but not limited to related travel expenses and cost of any merchandise purchased (“Compliance Review Fee”) in connection with inspections and mystery shops conducted at your Franchised Business- (“Compliance Review Fee”). At Franchisor’s request, Franchisor may require you to pay these amounts directly to the applicable services provider.

H. Upkeep of the Franchised Business.

You shall continuously operate the Franchised Business and shall, at all times and at your sole expense, maintain in first class condition and repair (subject to normal wear and tear), in good working order, in accordance with the requirements of the System, and in compliance with all applicable laws and regulations, the interior and exterior of the Service Vehicle (if applicable) and/or premises of the Franchised Business, including, without limitation, all Supplies, furniture, fixtures, equipment, computer systems, furnishings, floor coverings, interior and exterior signage, interior and exterior finishes, and interior and exterior lighting. You shall promptly and diligently perform all necessary maintenance, repairs, and replacements to the Franchised Business premises as Franchisor may prescribe from time-to-time including periodic interior painting and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment, and décor. Franchisee shall make such changes, upgrades, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor. Franchisee must also stock, maintain and replenish Supplies in such supply as to realize, service and promote, to its full potential, the Franchised Business. Franchisee shall make such changes, upgrades, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor.

I. Franchised Business Operations and Minimum Event Requirements.

You shall cause the Franchised Business to be open and operating on the days and during the hours that Franchisor designates, subject to applicable lease and local law or licensing limitations. You shall operate and maintain the Franchised Business in conformity with the highest ethical standards and sound business practices and in a manner that will enhance the goodwill associated with the Proprietary Marks.

Franchisee must satisfy and meet the following minimum weekly event requirements (the “Minimum Event Requirements”): Commencing six (6) months following the Opening Date, The Franchised Business must satisfy and meet the following Minimum Event Requirements:

Minimum Event Requirements	
Months 6 - 12	An average of not less than two <u>(twelve (12))</u> Snapology Events as measured over any six (6) month period.

Months 13 - 24	An average of not less than four (4) <u>twelve (12)</u> Snapology Events as measured over any three (3) month period.
Month 25 and each month thereafter	An average of not less than six (6) <u>fifteen (15)</u> Snapology Events as measured over any three (3) month period.
<u>Commencement</u> : In determining the applicable months, “Month 1” has the same meaning as defined in Section 6.B.	

J. Management and Personnel.

You shall employ a sufficient number of qualified, competent personnel to satisfy the demand for the products and services offered by the Franchised Business. Your key management personnel are identified in Attachment C to this Agreement.

You shall hire all employees of the Franchised Business and be exclusively responsible for the terms of their employment and for the proper training of such employees in the operation of the Franchised Business, including without limitation with respect to customer relations. You will ensure that your personnel comply with the Standards set forth in the Manual, including compliance with Standards related to customer service and engagement. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Proprietary Marks.

Franchisee shall be responsible for having all personnel employed by Franchisee wear standard related uniforms and attire during business hours, and during tournaments, in order to further enhance Franchisor’s product and format. Franchisee shall be permitted to purchase such uniforms and attire from Designated Suppliers, which uniforms and attire must be in strict accordance with Franchisor’s design and other specifications.

Further, the parties acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for you or your employees. You are exclusively responsible for labor and employment-related matters and decisions related to the Franchised Business, including, but not limited to, hiring, promoting, and compensating personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages, benefits and work hours, method of payment, maintenance of employment records, for disciplining and discharging your employees, and for supervising and controlling your employee’s work schedule or conditions of employment. You are exclusively responsible for labor relations with your employees. We do not require you to implement any employment-related policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Manual or otherwise for your optional use. You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Franchised Business. **YOU SHALL DEFEND AND INDEMNIFY FRANCHISOR AND ITS INDEMNITIES (AS DEFINED IN SECTION 20.B BELOW) AGAINST ANY AND ALL PROCEEDINGS, CLAIMS, INVESTIGATIONS, AND CAUSES OF ACTION INSTITUTED BY YOUR EMPLOYEES OR BY OTHERS THAT ARISE FROM YOUR EMPLOYMENT PRACTICES IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.**

K. Designated Manager.

You shall designate and retain an individual to serve as your Designated Manager, or, alternatively, one of your Owners may serve as the Designated Manager. The Designated Manager as of the date of this

Agreement is identified in Attachment C to this Agreement. Unless waived in writing by Franchisor, the Designated Manager shall meet all of the following qualifications:

- (1) He or she, at all times, shall have full control over the day-to-day activities and operations of the Franchised Business and shall devote full time and best efforts to supervising the operation of the Franchised Business (and any other Snapology Businesses that you own and operate pursuant to a franchise agreement with Franchisor) and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment;
- (2) He or she shall successfully complete the initial training program and any additional training required by Franchisor;
- (3) Franchisor shall have approved him or her as meeting its then-current Standards for such position, and not have later withdrawn such approval; and
- (4) He or she shall have executed and delivered to Franchisor a Confidentiality and Noncompete Agreement in the form attached to this Agreement as Attachment E.

If the Designated Manager ceases to serve in, or no longer qualifies for such position, you shall inform the Franchisor immediately and designate another qualified person to serve as your Designated Manager within 30 days. Franchisor reserves the right to approve or reject your replacement Designated Manager. Your approved replacement Designated Manager must successfully complete the initial training program and execute and deliver to Franchisor a Confidentiality and Noncompete Agreement in the form prescribed by Franchisor before assuming Designated Manager responsibilities. We reserve the right to charge you our then-current ~~reasonable~~ training fee to train your new Designated Manager, plus our out-of-pocket expenses in providing such training. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Manager as having responsibility and decision-making authority regarding the Franchised Business's operation and Franchisee's business.

L. Signs and Logos.

Subject to any applicable local ordinances, and as applicable, you shall prominently display at the Franchised Business premises such interior and exterior signs, logos, and advertising of such nature, form, color, number, location, and size, and containing the content and information that Franchisor may from time-to-time direct. You shall not display in or about the Franchised Business premises or otherwise regarding the Proprietary Marks any unauthorized sign, logo, or advertising media of any kind.

M. Compliance with Lease and other Agreements.

Franchisee shall comply with all terms of its lease or sublease or the agreement governing its access to and use of the site in which the Franchised Business operates, its financing agreements (if any), and all other agreements affecting the operation of the Franchised Business; shall undertake best efforts to maintain a good and positive working relationship with its landlord, lessor, and/or the party controlling the site in which the Franchised Business operates; and shall not engage in any activity which may jeopardize Franchisee's right to remain in possession of or access to, or to renew the lease, sublease or other agreement for, the premises of the Franchised Business.

Franchisee must at all times pay its distributors, contractors, suppliers, trade creditors, employees, lessors, lenders, tax authorities, and other creditors, promptly as the debts and obligations to such persons become due. Failure to do so shall constitute a breach of this Agreement.

N. Compliance with Laws and Good Business Practices.

You shall secure and maintain in full force in your name and at your expense all required licenses, permits, and certifications relating to the operation of the Franchised Business, including without limitation any licenses, permits, and certifications that may be required in the jurisdiction in which the Franchised

(“Member Information”). If we require your participation, you must sign the Dashboard Access Agreement, attached hereto as Attachment I and pay the relevant fees, and any other reporting software that we require from time to time. We and our Affiliates may use Member Information in our and their business activities, but, during the Term, we and our Affiliates will not use the Member Information that we or they learn from you or from accessing the point-of-sale or other technology system components to compete directly with the Franchised Businesses. Upon termination of this Agreement, we and our Affiliates reserve the right to make any and all disclosures and use the Member Information in any manner that we or they deem necessary or appropriate.

Q. Crisis Management Events.

Upon the occurrence of a Crisis Management Event, you must immediately inform Franchisor’s President, Chief Executive Officer, or Chief Legal officer (or as otherwise instructed in the Manuals) by telephone, and to cooperate fully with Franchisor with respect to Franchisor’s response to the Crisis Management Event. You shall also notify Franchisor immediately when you receive any media inquiries concerning the Franchised Business or Approved Location, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, and you shall direct all media inquiries to Franchisor. You must not communicate directly with the press or media, and you or your employees are prohibited from publishing your own statements on any other media, including on any social media platform. You shall follow all of Franchisor’s policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by the Franchisor or as specified in the Manuals, whether or not you have retained outside counsel or a public relations firm to assist with such matters.

~~**R. Franchise Advisory Council.**~~

~~If Franchisor should, during the term of this Agreement, form or require the formation of a franchisee advisory council or association (hereinafter “Advisory Council”) or such successor council to serve as an advisory council to Franchisor with respect to advertising, marketing, and other matters relating to franchised Snapology Business, Franchisee may be required to become a member of the Advisory Council. In such event, Franchisee shall pay to the Advisory Council all dues and assessments authorized by the Advisory Council and shall otherwise abide by the rules and regulations of the Advisory Council and shall at all times maintain its membership in the Advisory Council in good standing. Franchisee and its Owners are prohibited from participation in the Advisory Council if Franchisee is in default of this Agreement.~~

S.R. Computer Systems and Required Software.

The following terms and conditions shall apply with respect to the Computer System and Required Software:

(1) Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, cloud-based systems, Website portals, and hardware be used by, between, or among Snapology Businesses, including without limitation: (a) data, audio, video, and voice storage, retrieval, and transmission systems for use at Snapology Businesses, between or among Snapology Businesses, and between and among the Franchised Business and Franchisor and/or Franchisee; (b) Point of Sale System; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the “Computer System”).

(2) Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software programs, cloud-based system software, Website portal programs and accounting system software that Franchisee must use in connection with the Computer System (“Required Software”), including without limitation, performance analytics and training and evaluation software and gaming software, which Franchisee shall install; (b) updates,

supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; (c) the tangible media upon which such Franchisee shall record data; and (d) the database file structure of Franchisee's Computer System.

(3) Franchisee shall record all sales on a cloud-based point of sale and payments processing system designated and approved by Franchisor in the Manuals or otherwise in writing ("Point of Sale System"), which shall be deemed part of the Franchisee's Computer System.

(4) Franchisee shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as Franchisor may request in writing (collectively, "Computer Upgrades").

(5) Franchisee shall comply with all specifications issued by Franchisor with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. Franchisee shall also afford Franchisor unimpeded access to Franchisee's Computer System and Required Software as Franchisor may request, in the manner, form, and at the times requested by Franchisor. In no way limiting the foregoing, Franchisee shall provide Franchisor with access to any web-based video feed of the Franchised Business.

(6) Franchisee shall comply with specifications issued by Franchisor with respect to video camera installation and operation in the Franchised Business, including granting Franchisor access to any video camera feed in any manner Franchisor may so require.

(7) Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without Franchisor's prior written approval. Franchisor's consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with Franchisor and Franchisee in a form that is reasonably provided by Franchisor.

Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, ~~reasonable~~ new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those ~~reasonable~~ new standards established by Franchisor as if this Section 11.S. were periodically revised by Franchisor for that purpose.

11.S. Business Data.

Franchisor may, from time-to-time, specify in the Manuals or otherwise in writing the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Business, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to the Franchised Business, and all data created or collected by Franchisee in connection with the System (including Membership Data), or in connection with Franchisee's operation of the business (including without limitation data pertaining to or otherwise concerning the Franchised Business's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's Computer System) is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee for the term of this Agreement, at no additional cost, solely for Franchisee's use in connection with the business franchised under this Agreement.

U.T. Service Vehicle, Fixtures, Equipment, and Signs.

Under no circumstance shall Franchisee permanently attach any signs or trade dress bearing the Proprietary Marks at any Third Party Site. All signs and trade dress used by Franchisee at a Third Party Sites shall be portable, shall not be attached to any structure, and shall not be left at the Third Party Site overnight.

If Franchisee elects to operate a Service Vehicle Franchisee must obtain Franchisor's approval of any vehicle wrap and/or signs using the Proprietary Marks. Franchisee's Service Vehicle(s) must meet Franchisor's standards and specifications as to approved vehicles and must contain an exterior body wrap displaying the Proprietary Marks and interior configurations as approved and designated by Franchisor. Franchisee must maintain all of Franchisee's Service Vehicles in good and working order and in a safe and clean condition. Franchisee is exclusively responsible for the maintenance, care, costs and utilization of Franchisee's Service Vehicles.

V.U. Curriculum and Supplies.

Franchisee shall exclusively use the Curriculum in the operation of the Franchised Business and the Services offered by the Franchised Business. There are no substitutes or replacements to the Curriculum unless such substitutes or replacements are designated by Franchisor in writing.

Franchisee agrees that Franchisor and/or Franchisor's designees are and shall remain the sole and exclusive supplier and owner of the Curriculum and that Franchisee's access and use of same exists pursuant to a limited non-exclusive, non-transferable license subject to Franchisee's compliance with the terms and conditions of this Agreement and Franchisee's use of the Curriculum exclusively for the Franchised Business and provided that use by Franchisee is in compliance with the terms of this Agreement and Franchisor's standards and specifications as announced by Franchisor from time to time and as set forth, modified and updated by Franchisor (in its sole discretion) in the Manuals. As between Franchisee and Franchisor, Franchisee agrees that all enhancements and improvements to the Curriculum, no matter the source of such enhancements or improvements, shall be owned exclusively by Franchisor and that Franchisor is and shall remain the sole and exclusive owner of all copyrights and legal rights and interests in and to the Curriculum.

Franchisee shall exclusively use the Supplies as Franchisor shall designate and Franchisee shall purchase the Supplies from the suppliers and vendors designated and approved by Franchisor from time to time in Franchisor's sole discretion. Without limitation to the foregoing, Franchisee agrees that Franchisor's control over the nature, quality, branding and source of the Supplies is critical to the System and that irrespective of the availability of substitute products, supplies, equipment and/or sources of supply, Franchisee shall only use the Supplies as designated by Franchisor and only from those suppliers approved by Franchisor. Franchisee acknowledges and agrees that in many instances Franchisor and/or Franchisor's affiliates may be, may become and in most, if not all, instances currently is and will remain the sole and exclusive supplier of Supplies.

W.V. Franchisor's Command Center: Business Management System.

In connection with the management and operations of the Franchised Business, Franchisee shall exclusively use the BMS(s) designated by Franchisor and, as may be modified, supplemented and/or replaced by Franchisor from time to time in its sole discretion. As of the Effective Date, Franchisor has specified the use of command center ("Command Center") as its BMS. However, Franchisor may substitute or replace Command Center as the approved BMS at any time, or implement additional or different software, hardware, and other technologies at any time, which Franchisee is required to utilize. Franchisee cannot substitute or replace the BMS in favor of any substitutes or other systems.

To the extent that the BMS and/or a component thereof, is hosted, maintained, licensed and/or operated by third-party suppliers Franchisee shall purchase, license and maintain such BMS and/or accounts

benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System, Intellectual Property or the Proprietary Marks; (5) the license and rights to use the Proprietary Marks and Intellectual Property granted hereunder to you are nonexclusive; (6) Franchisor may itself use, and grant franchises and licenses to others to use, the Proprietary Marks, Intellectual Property, and the System; (7) Franchisor may establish, develop and franchise other systems, different from the System licensed to you herein, without offering or providing you any rights in, to, or under such other systems; and (8) Franchisor may add to, eliminate, modify, supplement, or otherwise change, in whole or in part, any aspect of the Proprietary Marks or Intellectual Property.

B. Modification of the Proprietary Marks and Intellectual Property.

Franchisor reserves the right to add to, eliminate, modify, supplement, or otherwise change any of the Proprietary Marks and Intellectual Property, in whole or in part. You must promptly take all actions necessary to adopt all new and modified Proprietary Marks or Intellectual Property and discontinue using obsolete Proprietary Marks or Intellectual Property which may include, among other things, acquiring and installing, at your expense, new interior and exterior signage and graphics.

C. Use of the Proprietary Marks and Intellectual Property.

You shall use only the Proprietary Marks and Intellectual Property designated by Franchisor and shall use them only in connection with the operation and promotion of the Franchised Business and in the manner required or authorized and permitted by Franchisor. Your right to use the Proprietary Marks and Intellectual Property is limited to the uses authorized under this Agreement and in the Manual, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights and grounds for termination of this Agreement. Nothing in this Agreement shall be construed as authorizing or permitting the use of Proprietary Marks and Intellectual Property at any other location other than the Approved Location or for any other purpose except as may be authorized in writing by Franchisor.

You shall not use all or any recognizable portion of the Proprietary Marks as part of your Business Entity or other legal name, and may not use them to incur any obligation or indebtedness on Franchisor's behalf. You shall comply with all requirements of Franchisor's and applicable state and local laws concerning use and registration of fictitious and assumed names and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. You shall not use any confusingly similar trademarks in connection with the Franchise Business or any other business in which you or any Affiliate has an interest.

Franchisor reserves the right to approve all signs, memos, stationery, business cards, advertising material forms and all other objects and supplies using the Proprietary Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the Proprietary Marks shall be in accordance with this Agreement and the Manuals, and Franchisee shall obtain Franchisor's approval prior to such use.

Upon the expiration, termination, or non-renewal of this Agreement, Franchisee shall immediately cease using the Proprietary Marks and Intellectual Property, color combinations, designs, symbols or slogans; and Franchisor may cause Franchisee to execute such documents and take such action as may be necessary to evidence this fact. After the effective date of expiration, termination, or non-renewal, Franchisee shall not represent or imply that it is associated with Franchisor or the Snapology franchise. To this end, Franchisee irrevocably appoints Franchisor or its nominee to be Franchisee's attorney-in-fact to execute, on Franchisee's behalf, any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. Franchisee acknowledges and agrees that the unauthorized use of the Proprietary Marks and Intellectual Property will result in irreparable harm to Franchisor for which Franchisor may obtain injunctive relief, monetary damages, ~~reasonable~~-attorneys' fees and costs.

D. Internet and Social Media Usage.

You may not cause or allow all or any recognizable portion of the Proprietary Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator (“URL”), or meta-tag, or in connection with any Internet home page, web site, landing pages, mobile channels, or any other Internet-related activity without Franchisor’s express written consent, and then only in a manner and in accordance with the Standard and the Manual. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of in the registration of any username on any Website, personal blogs or social networking website including, but not limited to, Facebook, LinkedIn, Yelp, Pinterest, Instagram, Tik Tok or X (formerly known as Twitter), or any virtual worlds, file sharing, audio sharing and video-sharing sites. You will at all times during the Term comply with our social media and networking policies which will be provided to you in the Manual, and may be modified, amended, or terminated by us at any time.

E. Customer Data.

All customer information collected by Franchisee in connection with the operation of the Franchised Business (“Customer Data”), and all revenues Franchisor derives from such Customer Data, will constitute Franchisor’s sole property, and be considered Confidential Information. Franchisor may use such Customer Data for any reason without compensation to Franchisee. You will assign all rights in Customer Data to us as further described in Section 13.F. You will provide copies of all Customer Data to us upon request. At your sole risk and responsibility, you may use Customer Data that you acquire solely in connection with operating the Franchised Business to the extent your use is permitted by applicable law. Upon expiration, termination or transfer of your Franchise Agreement, you must immediately cease using all Customer Data and all copies of Customer Data must be returned to us and removed from your POS, computer hardware and software and any other form of electronic media or hard copy in your possession or to which you have access.

In connection with collecting, storing and using Customer Data, you will: (1) comply with all applicable privacy laws (“Privacy Laws”); (2) comply with all Standards that relate to Privacy Laws and the privacy and security of Customer Data; (3) comply with any posted privacy policy and other representations made to the individual identified by Customer Data you process and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (4) refrain from any action or omission that could cause Franchisor to breach any Privacy Laws; (5) maintain reasonable physical, technical and administrative safeguards for Customer Data and other Confidential Information that is in your possession or control in order to protect the same from unauthorized processing, destruction, modification or use that would violate the Franchise Agreement or any Privacy Law; (6) do and sign, or arrange to be done and signed, each act and document we deem necessary in our business judgment for us to maintain compliance with Privacy Laws; and (7) immediately report to us any theft or loss of Customer Data (other than the Customer Data of your own officers, directors, shareholders, employees or service providers).

You will, upon our request, provide us or representatives with: (1) information, reports and the results of any audits performed on your Franchised Business regarding your data security policies, security procedures or security technical controls related to Customer Data; and (2) access to your technology systems and related records, policies and practices that involve processing Customer Data in order to mitigate a security incident or so that an audit may be conducted.

In addition to the indemnity obligations set forth in Section 20.B and in accordance with the indemnification procedures set forth in Section 20, you will indemnify, defend and hold us harmless from losses arising out of or relating to any theft, loss or misuse of Customer Data for your breach of any of the terms, conditions or obligations relating to data security, privacy or Customer Data set forth in this Agreement.

H. Remedies and Enforcement.

You acknowledge that violation of this Article 13 is a material breach of this Agreement for which Franchisor may terminate this Agreement pursuant to Section 18.B. You acknowledge that in addition to any remedies available to Franchisor under this Agreement, you agree to pay all court costs and ~~reasonable~~ attorneys' fees incurred by Franchisor in obtaining specific performance of, a temporary restraining order and/or an injunction against violation of the provisions of this Article 13.

14. CONFIDENTIALITY OBLIGATIONS AND RESTRICTIVE COVENANTS

A. Confidential Information.

You and each Owner acknowledge that all Confidential Information belongs exclusively to Franchisor. You and each Owner agree to use and permit the use of the Confidential Information only in connection with the operation of your Franchised Business, to maintain the confidentiality of all Confidential Information, to not duplicate any materials containing Confidential Information. You and each Owner further agree that you will not at any time, during the term of this Agreement and after expiration or earlier termination of this Agreement: (1) divulge any Confidential Information to anyone, except to your employees and professionals advisors having a need to know who are subject to a confidentiality agreement with you (the form of which shall contain at least the same level of confidentiality and degree of care related to nondisclosure required under this Agreement); (2) divulge or use any Confidential Information for the benefit of yourself, your Owners, or any third party (including any person, business entity, or enterprise of any type or nature), except in the operation of your Franchised Business, and then only in strict compliance with the Manual and System; or (3) directly or indirectly imitate, duplicate, or "reverse engineer" any of our Confidential Information, or aid any third party in such actions.

Upon the expiration or earlier termination of this Agreement, you will return to Franchisor all Confidential Information which is then in your possession, including, without limitation, customer lists and records, all training materials and other instructional content, all financial and non-financial books and records, the Manual and any supplements to the Manual, and all computer databases, software, and manual. Franchisor reserves the right, upon its specific written request, to require you to destroy all or certain such Confidential Information and to certify such destruction to Franchisor. You specifically acknowledge that all customer lists or information adduced by your Franchised Business is not your property, but is Franchisor's property, and you further agree to never contend otherwise.

You shall cause your Designated Manager and any employee, professional advisors or other third party with authorized access to Confidential Information as described in this Section 14.A, including information contained in the Manual, to sign a confidentiality agreement in a form approved by Franchisor, which identifies Franchisor as a third-party beneficiary of such agreement and gives Franchisor independent rights of enforcement.

The provisions of this Section 14.A will survive expiration or termination of this Agreement.

B. Covenants of the Franchisee.

You acknowledge that you and your Owners will receive valuable specialized training and Confidential Information, including, without limitation, information regarding development and operation methods, strategies, and procedures; sales, promotional, and marketing methods; techniques and other trade secrets of Franchisor and the System.

You covenant and agree that during the term of this Agreement, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, or legal entity:

- (1) Divert or attempt to divert any present or prospective customer of any Snapology Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that is harmful, injurious, or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

campaign. Franchisor reserves the right to require a Designated Supplier, which may be its Affiliate, to conduct your Grand Opening Advertising.

C. Advertising Cooperatives.

Franchisor may, from time-to-time, form local or regional advertising cooperatives (each an “Advertising Cooperative”) to pay for the development, placement, and distribution of advertising for the benefit of Franchised Businesses located in the geographic region served by the Advertising Cooperative. Any Advertising Cooperative established by Franchisor will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the foregoing purposes.

If Franchisor forms an Advertising Cooperative for the region in which the Franchised Business is located, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 15.C.

Franchisor shall have the exclusive right to create, dissolve, and merge each Advertising Cooperative created, in its discretion, and to create and amend the organizational and governing documents related thereto, provided that such documents shall: (1) operate by majority vote, with each Snapology Business (including those owned or managed by Franchisor or its Affiliates) entitled to one vote; (2) entitle Franchisor to cast one vote (in addition to any votes it may be entitled to on account of its ownership or operation of Snapology Businesses in the area served by the Advertising Cooperative); (3) permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions; and (4) provide that any funds left in the Cooperative at the time of dissolution shall be returned to the members in proportion to their contributions during the 12-month period immediately preceding termination. If the majority of the voting power of an Advertising Cooperative consists of Snapology Businesses owned by Franchisor or its Affiliates, contributions will not exceed \$10,000 per year without the consent of a majority of the remaining members.

You agree to be bound by all organizational and governing documents created by Franchisor and, at Franchisor’s request, shall execute all documents necessary to evidence or affirm your agreement. The Advertising Cooperative shall begin operating on a date determined in advance by Franchisor.

No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without Franchisor’s prior approval. All advertising plans and materials must conform to the Standards and must be submitted to Franchisor for approval according to the procedures set forth in Section 15.A of this Agreement.

D. Restriction Against Internet Advertising.

You may not establish or maintain a web site or other presence on the World Wide Web portion of the Internet, including websites or social networking websites such as, but not limited to, Facebook, LinkedIn, Tiktok, Yelp, or X (formerly known as Twitter), which reflects any of the Proprietary Marks or any of Franchisor’s copyrighted works, that includes the term “Snapology” as part of its URL or domain name, that otherwise states or suggests your affiliation with Snapology brand or franchise system, or that uses or displays any collateral merchandise offered at the Franchised Business, without Franchisor’s express written consent, and then only in a manner and in accordance with the procedures, standards and specifications that Franchisor establishes. Our social media and networking policies will be provided to you in the Manual, and may be modified, amended, or terminated by us at any time.

E. NAF.

Franchisor may implement and administer the NAF for the creation and development of marketing, advertising, and related programs, campaigns and materials for the implementation of Franchisor’s brand positioning. Franchisee will contribute the NAF Contribution to the NAF as set forth in Section 6.D of this Agreement unless Franchisor suspends, at its option, collection of the NAF Contribution. Franchisor may, at its sole option, increase the NAF Contribution upon 60 days’ prior notice to Franchisee, subject to the limitations in Section 15.A.

Franchisor or any of its Affiliates will pay the same NAF Contribution. Except as expressly provided in this Section 15.E, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to, or maintaining, directing or administering the NAF. Franchisor reserves the right to suspend or terminate (and, if suspended or terminated, to reinstate) the NAF. If the NAF is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees operating Snapology Businesses in proportion to their respective contributions to the NAF accrued during the preceding three-month period, and such amounts will be spent on local marketing in accordance with Section 15.A.

(3) Unleashed Fund. Franchisor or its Affiliate reserves the right to establish an advertising fund separate from the NAF (the “Unleashed Fund”) for advertising activities related to Franchisor’s affiliates. Franchisee will not contribute directly to the Unleashed Fund. When the Unleashed Fund is established, the NAF shall contribute up to 5% of its monthly balance to the Unleashed Fund. The Unleashed Fund is not audited, and Franchisor is not required to provide any financial reports or other reports of Unleashed Fund. Franchisor or its affiliate will have the right to cause the Unleashed Fund to be incorporated or operated through a separate entity our affiliates own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties.

F. Loyalty Programs, Prize Promotions, and Promotional Literature.

You shall participate in and offer to your customers all customer loyalty and reward programs, promotional programs, and all contests, sweepstakes, and other promotions that Franchisor may develop from time-to-time, which may include discount or complimentary products or services. Franchisor will communicate to you in writing the details of each such program and promotion, and you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Franchised Business premises as Franchisor may designate. You shall purchase and distribute all coupons, clothing, toys, and other collateral merchandise (and only the coupons, clothing, toys, and collateral merchandise) designated by Franchisor for use in connection with each such program and promotion.

To the extent that Franchisor develops or authorizes the sale of gift certificates and/or stored value cards, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them. All proceeds from the sale of all gift certificates and stored value cards belong exclusively to Franchisor, and you shall remit the proceeds of such sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor shall reimburse or credit to you (at Franchisor’s option) the redeemed value of gift cards and stored value cards accepted as payment for products and services sold by the Franchised Business.

You also shall display at the Franchised Business premises all promotional literature and information as Franchisor may reasonably require from time-to-time. This may include, among other things, establishing a bulletin board for posting local school and community events and displaying signage or other literature containing information about Snapology franchise offering.

You also agree to honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by us from time-to-time. Any ~~reasonable and~~ customary service charges or discounts from reimbursements charged on such cards or authorizations will be at your sole expense.

G. Social Media Accounts License.

At Franchisee’s request and upon Franchisee’s execution of a terms of use agreement in a form provided by Franchisor, Franchisor may, technology permitting, create all Social Media accounts related to the Franchised Business, and license the account to Franchisee for use in promoting the Franchised Business while this Agreement is in effect. Franchisee shall follow Franchisor’s mandatory specifications, standards, operating procedures, and rules for using Social Media in connection with Franchisee’s operation of the Franchised Business and Franchisee agrees to comply with any Social Media policy Franchisor implements.

Franchisor shall own all Social Media accounts used in operation of the Franchised Business and shall allow Franchisee's access and use only in strict compliance with this Agreement. Franchisor reserves its right to remove Franchisee's access to Social Media accounts at any time at its sole discretion. Upon termination of this Agreement for any reason, Franchisee's access to all Social Media accounts will terminate. The term "Social Media" includes, without limitation: blogs; common social networks such as Facebook, Snapchat, Instagram, LinkedIn, Tiktok, X (formerly known as Twitter-), or YouTube; internet listing sites such as Wikipedia, Google, and Yelp; applications supported by mobile platforms such as iOS and Android; virtual worlds and metaverses; file, audio, and video-sharing sites; and other similar internet, social networking, or media sites, mobile platforms, or tools.

Franchisee shall use all Social Media accounts and all content associated with the Social Media accounts only in connection with the operation and promotion of the Franchised Business. Franchisee has no right to sublicense use of the Social Media accounts. Franchisee acknowledges that Franchisor owns the Social Media accounts, all goodwill, all customer information, all analytical data, and all content associated with the Social Media accounts. Franchisee's use of the Social Media accounts will inure to the sole benefit of Franchisor. Franchisor shall possess exclusive rights to "likes," "favorites," "retweets," "followers," and other similar benefits ("Benefit") that come as a result of Franchisee's use of the Social Media accounts. Nothing herein shall grant Franchisee any right, title or interest in or to the Social Media accounts, goodwill, customer information, analytical data, content or Benefit associated with the Social Media accounts, other than the right to use it per this Agreement. Franchisee shall take no action inconsistent with Franchisor's ownership of the Social Media accounts, goodwill, customer information, analytical data, content or Benefit associated with the use of the Social Media accounts, or assist any third party in attempting to claim adversely to Franchisor, with regard to such ownership. Without limiting the generality of the foregoing, Franchisee specifically agrees that it will not challenge Franchisor's ownership of the Social Media accounts, goodwill, customer information, analytical data, content or any Benefit associated with the Social Media accounts.

Franchisee undertakes that its use of the Social Media accounts under this Agreement: (a) will comply in all material respects with the applicable platform's terms and conditions in force from time to time; (b) will not breach any applicable law, statute, regulation or legally binding code; (c) will not infringe the legal rights of any person in any jurisdiction; (d) will be used only to publish content about the Franchised Business; and (e) will not breach any provision of the Franchise Agreement and will comply at all times with Franchisor's policies, standards, and specifications, as they exist from time to time.

H. Website and Intranet.

In connection with any Website, Franchisee agrees to the following:

(1) Franchisor shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Proprietary Marks, any or all of the Snapology Business, the franchising of Snapology Business, and/or the System. Franchisor shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; Franchisor shall also have the right to discontinue operation of the website.

(2) Franchisor shall have the right, but not the obligation, to designate one or more web page(s) to describe Franchisee and/or the Franchised Business, with such web page(s) to be located within Franchisor's Website. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance and content of any such web pages; and Franchisor shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

(3) Franchisee shall not establish a separate Website, without Franchisor's prior written approval (which Franchisor shall not be obligated to provide). If approved to establish a Website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the

17. TRANSFER

A. Transfer by Franchisor.

Franchisor shall have the unrestricted right, in its sole discretion and without your consent, to assign this Agreement and/or all of its rights and/or obligations hereunder in a related or third-party transaction, may sell any or all of its assets (including its rights in and to the Proprietary Marks and the System); may issue new shares through an initial public offering and/or private placement; may merge with and/or acquire other companies, or may merge into or be acquired by another company; and may pledge its assets to secure payment of its financial obligations.

B. Franchisee Transfer of Agreement; Transfer of the Franchised Business; Transfer of Controlling Interest.

You understand and acknowledge that Franchisor has entered into this Agreement in reliance on your business skill, financial capacity, personal character, experience, and demonstrated or purported ability in customer service operations. Accordingly, you may not sell or transfer your interest in this Agreement, your ~~controlling interest~~ Controlling Interest, or the assets of the Franchised Business (except in the ordinary course of your business) without Franchisor's prior written consent. In addition, if you are a Business Entity, no Owner may transfer or assign all or any portion of his or her equity interest in the Business Entity without Franchisor's prior written consent. For purposes of this Section 17.B the term "transfer" means and includes an actual assignment, sale, or transfer of a ~~controlling interest~~ Controlling Interest, or a collateral assignment or pledge of the interest as security for performance of an obligation.

You must notify Franchisor in writing at least 60 days prior to the date of any such intended transfer. Any purported transfer, by operation of law or otherwise, not having the written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement. Franchisor shall not unreasonably withhold its consent to any transfer, but may, in its sole discretion, require any or all of the following as conditions of its consent:

- (1) All of your accrued monetary obligations and all other outstanding obligations to Franchisor and its Affiliates and your suppliers shall be up to date, fully paid, and satisfied;
- (2) You must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates, and your suppliers;
- (3) You and each Owner shall have executed a then-current form of general release and a covenant not to sue, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, agents, and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; provided, however, that any release will not be inconsistent with any state statute regulating franchising;
- (4) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current Standards applicable to new Snapology franchisees, including but not limited to educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; and has sufficient equity capital to operate the Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of the Franchised Business);
- (5) The transferee shall sign Franchisor's then-current form of franchise agreement, for a term equal to the remaining term of this Agreement, and you shall pay to Franchisor the Transfer Fee in the amount set forth in Attachment A. If the transferee is a Business Entity, then the transferee's Owners shall jointly and severally guarantee your obligations under this Agreement in writing in a form satisfactory to Franchisor. The transferee shall have the option, however, to

purchase a longer term (not to exceed a total of five years) by paying an extended term fee (“Extended Term Fee”). The Extended Term Fee will be calculated as Franchisor’s then-current initial franchise fee divided by the number of days included in the initial term of the then-current franchise agreement, multiplied by the number of days of additional term being purchased by the transferee;

(6) If deemed necessary by Franchisor, the transferee shall agree to update, remodel, refurbish, renovate, modify, or redesign the Franchised Business’ premises, at transferee’s sole expense, to conform to Franchisor’s then-current Standards and specifications for Snapology Businesses. Upon Franchisee informing Franchisor of a transfer under this Section 17.B., Franchisor reserves the right to require Franchisee to undergo inspections pursuant to Section 11.G. above and Franchisee shall bear the cost of such inspections, even if such transfer does not close;

(7) You agree to remain liable for all direct and indirect obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, and you and your Owners shall continue to remain responsible for your respective obligations of nondisclosure, noncompetition, and indemnification as provided elsewhere in this Agreement, and all other obligations that survive termination, expiration, or transfer and shall execute any and all instruments reasonably requested by Franchisor to further evidence such obligation;

(8) The transferee shall comply with Franchisor’s initial training requirements and pay any applicable training fee;

(9) Franchisor reserves the right to require transferee to conduct grand opening marketing upon closing of the transfer, which Franchisee and Owners shall communicate to transferee during initial communications of the proposed transfer. Such grand opening expectation shall be the same as Franchisor’s requirements in the then-current Snapology franchise disclosure document disclosed to transferee. If transferee does not agree to conduct grand opening upon closing of the transfer, Franchisor reserves the right to charge Franchisee and Owners the required grand opening amount, payable upon closing of the transfer. This is a material condition of Franchisor’s approval of the proposed transfer;

~~(9)~~(10) You or the transferor must provide Franchisor with a copy of the agreements of purchase and sale between the transferor and the transferee. The economic terms of the transfer may not materially and adversely affect, in Franchisor’s sole judgment, the post-transfer viability of the Franchised Business; and

~~(10)~~(11) If you elect to participate in Franchisor’s resale program in connection with the transfer of the Franchised Business pursuant to this Section 17.B., you must comply with Franchisor’s then-current resale program requirements, which may include the execution of Franchisor’s then-current resale program agreement and payment of the then-current resale program fee.

C. Franchisee Transfer Among Owners; Transfer of Non-Controlling Interest.

If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more approved third parties, if:

(1) you have provided to Franchisor advance notice of the transfer and have obtained Franchisor’s approval of any new owners,

(2) Attachment C has been amended to reflect the new ownership, and each individual listed in Section B of Attachment C has signed the Confidentiality and Non-Competition Agreement in the form of Attachment E;

(3) each new Owner has signed an Undertaking and Guaranty in the form of Attachment D;

(4) each previous and/or new owners have signed a general release in favor of Franchisor and in the form Franchisor requires; and

(5) you pay to Franchisor a Transfer Fee in the amount set forth in Attachment A.

Transfers under this Section 17.C. are limited to once per rolling 12-month period. Otherwise, any transfers under this subsection shall be subject to a Transfer Fee of 25% of the then-current initial franchise fee. For purposes of this Section 17.C. and the Transfer Fee only, “Non-Controlling Interest” shall mean 20% or less of the total outstanding units or assets in the Franchised Business.

D. Franchisee Transfer to Business Entity for Convenience.

You may transfer your interest in this Agreement to a Business Entity for convenience of operation by signing Franchisor’s standard form of assignment and assumption agreement if:

(1) the Business Entity is formed solely for purposes of operating the Franchised Business;

(2) you provide to Franchisor a copy of the Business Entity’s formation and governing documents (company/operating agreement, by laws, etc.), and a certificate of good standing from the jurisdiction under which the Business Entity was formed;

(3) you sign a general release in favor of Franchisor and in the form that Franchisor requires; and

(4) you pay to Franchisor a Transfer Fee in the amount set forth in Attachment A.

E. Security Interest.

Any security interest that may be created in this Agreement by virtue of Section 9-408 of the Uniform Commercial Code is limited as described in Section 9-408(d) of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in the franchise without Franchisor’s consent.

F. Public and Private Offerings.

If you are a Business Entity and you intend to issue equity interests pursuant to a public or private offering, you shall first obtain Franchisor’s written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of your securities, and Franchisor’s review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all conditions set forth in Section 17.B and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the reasonable actual costs and expenses it incurs (including, without limitation, attorneys’ fees and accountants’ fees) in connection with reviewing the proposed offering.

G. Right of First Refusal.

If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and you or such Owner wishes to accept such offer, you or the Owner must

its Affiliates; (2) lease transfer fees (if any), other costs owed to your landlord, and the costs of renovating the Franchised Business premises so that it meets Franchisor's then-current standards and specifications (if Franchisor elects to assume the lease for the Franchised Business premises); and (3) the costs of re-identifying the Franchised Business premises in accordance with Section 19.B, if you fail to do so (if Franchisor does not elect to assume the lease for the Franchised Business premises).

If Franchisee cannot deliver clear title to all of the assets, or if there are other unresolved issues, the closing of the sale may at Franchisor's option, be accomplished through an escrow on reasonably appropriate terms, including the making of payments, to be deducted from the purchase price, directly to third parties in order to obtain clear title to the Purchased Assets. Franchisee and Franchisor shall comply with any applicable bulk sales or similar laws and all applicable tax notification and/or escrow procedures.

Franchisee shall exert reasonable commercial efforts to obtain all necessary consents to consummate the sale (including consents to assignments of leases and concession licenses) and to ensure all managers shall be available, to the extent requested by Franchisor, for continued employment with the company purchasing the Purchased Assets. Franchisor shall have the right to receive specific performance or injunctive relief to enforce the provisions set forth in this Section 19.

Upon delivery of the Appraisal Notice and pending determination of Agreed Value and the closing of the purchase, Franchisor shall authorize continued temporary operations of the Franchised Business pursuant to the terms of this Agreement, subject to the supervision and control of one or more of Franchisor's appointed managers.

FRANCHISEE WILL DEFEND, INDEMNIFY AND HOLD HARMLESS FRANCHISOR FROM AND AGAINST ALL OBLIGATIONS, LIABILITIES, CLAIMS AND CAUSES OF ACTION ACCRUING PRIOR TO CLOSING AND THAT IN ANY WAY RELATE TO OR ARISE OUT OF THE OPERATION OF THE FRANCHISED BUSINESS IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.

~~C. — Franchisor's Option to Purchase Upon a Triggering Event.~~

~~Without limiting any right or remedy of Franchisor set forth in Sections 18 and 19, upon the occurrence of (i) notice from Franchisor that it intends to purchase all or substantially all of the Snapology Businesses in the franchise system, or (ii) the date of an initial public offering (each, a "Triggering Event"), Franchisee, on behalf of itself and its Affiliates and Owners, hereby grants to Franchisor or Franchisor's designee the right to purchase the Assets from Franchisee, its Owners and its Affiliates for Fair Market Value, free and clear of all liens, restrictions and encumbrances, determined as set forth in Section 19.B, and with all rights of offset described therein.~~

D.C. Compliance with Post Term Obligations.

You and each Owner shall comply with all covenants and obligations which, by their nature, survive termination of this Agreement including, without limitation, the confidentiality obligations and restrictive covenants set forth and described in Article 14 of this Agreement and the indemnification obligations set forth and described in Section 20.B of this Agreement.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION.

A. Independent Contractor.

The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you will operate the Franchised Business as an independent contractor, we and you do not intend to be partners, associates, joint venturer, employee, employer, agents, or joint employers in any way, we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances, and that nothing in this Agreement shall be construed to create a partnership, joint venture, agency, employment, fiduciary relationship, master-servant relationship, or legal relationship of any kind.

Franchisor shall have no relationship with your employees and you have no relationship with Franchisor's employees.

None of your employees will be considered employees of Franchisor or its Affiliates. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Franchisor or its Affiliates for any purpose, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied, or fixed by any city, state, or federal governmental agency. Neither Franchisor nor its Affiliates will have the power to hire or fire your employees. We have no right or duty to supervise, manage, control or direct your employees in the course of their employment for you. You expressly agree, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Franchised Business does not directly or indirectly vest in Franchisor or its Affiliates the power to hire, fire, or control any such employee. You further acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of your Franchised Business and that under no circumstance shall Franchisor or its Affiliates do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications, and procedures of System which you are required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer, or imply that Franchisor or its Affiliates controls any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but constitute only standards to which you must adhere when exercising your control of the day-to-day operations of your Franchised Business. You are solely responsible for all terms and conditions of employment of your employees.

Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreements, warranties, guarantees, or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and you are other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor will Franchisor be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business.

During the term of this Agreement, you shall identify yourself as the owner of the Franchised Business operating under a franchise granted by Franchisor, and shall apply for all permits, certificates of occupancy, and business licenses in your own name. Additionally, your individual name (if you are an individual) or your corporate name (if you are a Business Entity) must appear prominently on all invoices, order forms, receipts, business stationery, and contracts. You shall not use the Proprietary Marks to incur or secure any obligation or indebtedness on behalf of Franchisor. You shall display at the Franchised Business, in a conspicuous location, a form of notice approved by Franchisor, stating that you are an independent franchised operator of the business.

B. Indemnification.

YOU SHALL DEFEND AT YOUR OWN COST AND INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISOR AND ITS AFFILIATES, AND THEIR RESPECTIVE SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, DESIGNEES, AND REPRESENTATIVES (COLLECTIVELY, THE "FRANCHISOR INDEMNITEES") FROM ALL LOSSES AND EXPENSES INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, CLAIM, CAUSE OF ACTION, DEMAND, INVESTIGATION, OR FORMAL OR INFORMAL INQUIRY (REGARDLESS OF WHETHER ANY OF THE FOREGOING IS REDUCED TO JUDGMENT), OR ANY SETTLEMENT OF THE FOREGOING, WHICH ACTUALLY OR ALLEGEDLY, DIRECTLY OR INDIRECTLY, ARISES OUT OF, IS BASED UPON, IS A

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ATTACHMENT A

GLOSSARY OF ADDITIONAL TERMS

Capitalized terms will have the following meanings, unless otherwise defined in this Agreement.

“**Advertising Cooperative**” means a group of Snapology Businesses formed to facilitate marketing and advertising placement in a particular geographic area.

“**Affiliate**” means any entity that is wholly or partly owned by another entity, that shares common ownership with another entity, or that has an ownership interest in another entity.

“**Affiliate Brand**” means a franchise that is franchised by Franchisor’s Affiliate, which may include but is not limited to Urban Air Adventure Park, The Little Gym, Premier Martial Arts, Class 101, [Sylvan](#), and XP League.

“**Approved Location**” means the Franchisor-approved site for the Franchised Business in the Protected Area that meets Franchisor’s site selection criteria, as specified in [Attachment B](#).

“**Business Entity**” means a corporation, limited liability company, limited partnership, or other entity created pursuant to statutory authority.

“**Business Management System**” or “**BMS**” Refers to and means Franchisor’s designated command center, the software and/or internet or cloud-based system or systems, point of sale system or systems, and/or customer relationship management system or systems as designated by Franchisor, in its sole discretion, as being required for use by Franchisee in connection with and the operations of the Franchised Business. From time to time, Franchisor reserves the right to modify and designate alternative BMS as Franchisor determines in its sole discretion. Without limitation to the foregoing, the BMS may include: (a) multiple point of sale systems or systems installed and maintained on-site at the location of Franchisee’s Discovery Center; (b) portable point of sale systems used by Franchisee at Third Party Sites; (c) web, intra-net or cloud based customer ordering, processing systems, production and service delivery systems; and/or (d) customer membership and rewards systems. The BMS or systems may, in whole or in part, include and utilize internet, intra-net and cloud based and accessed applications, software, databases and/or systems that require Franchisee to access such systems and information through the internet or a private network and that stores the data and information relating to the Franchised Business on off-site servers through accounts and/or servers controlled by Franchisor.

“**BMS Data**” Refers to and means the forms, data, tools, customer information and sales information that: (a) is pre-populated or entered into the BMS; (b) is entered, whether by Franchisor or Franchisee, into the BMS; and/or (c) is recorded, stored or maintained in the BMS.

“**Classroom**” or “**Snapology Classroom**” Refers to and means a Snapology franchised business that is developed and operated within the premises of a franchised Affiliate Brand. If at the time of signing this Agreement, Franchisee elects to establish and operate a Classroom with an Affiliate Brand, it may be identified on the Summary Page or [Attachment B](#). A Classroom must be constructed and improved in accordance with Franchisor’s standards and specifications and must be exclusively devoted to the operations of the Franchised Business. A Classroom must be open daily, on a full-time basis, in accordance with Franchisor’s standards and specifications. Snapology Classroom may offer and provide Services on a mobile basis at Third Party Sites in the Protected Area.

“**Competitive Business**” means any business that provides curriculum-based courses, events, classes, and experiences using building toys, robotics, animation, coding, games, and engineering techniques, services, and products.

“Confidential Information” means all information, knowledge, elements, trade secrets, and know-how utilized or embraced by the System, or which otherwise concerns Franchisor’s systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software; including, but not limited to: the Standards and all elements of the System and all products, services, equipment, technologies, policies, standards, requirements, criteria, and procedures which now or in the future are a part of the System; all information contained in the Manual, including supplements to the Manual; Franchisor’s standards and specifications for product preparation, packaging, and service; all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or by you in the offer and sale of products and/or services at or from the Franchised Business premises; all pricing paradigms established by Franchisor or by you; all of Franchisor’s and/or your sources, or prospective sources, of supply and all information pertaining to same, including wholesale pricing structures, the contents of sourcing agreements, and the identity of vendors and suppliers; Franchisor’s specifications, and your final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Franchised Business premises; Curriculum, including Core Curriculum and Supplemental Curriculum; identity of and contents of the BMS and all BMS Data; the identify of, and all information relating to, the computer and POS hardware and software utilized by Franchisor and you; all information and data pertaining to Franchisor’s and/or your advertising, marketing, promotion, and merchandising campaigns, activities, materials, specifications and procedures; information obtained through the Dashboard Access Agreement, attached hereto as Attachment J; all customer lists, Member Information, and records generated and/or otherwise maintained by your Franchised Business; all internet/web protocols, procedures, and content related to the System and your Franchised Business; Franchisor’s training and other instructional programs and materials; all elements of Franchisor’s recommended staffing, staff training, and staff certification policies and procedures; all communications between you and Franchisor, including the financial and other reports you are required to submit to Franchisor under this Agreement; additions to, deletions from, and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; all other knowledge, trade secrets, or know-how concerning the methods of operation of your Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of operation under the terms of the Franchise Agreement; and all other information, knowledge, and know-how which either Franchisor or its Affiliates, now or in the future, designate as “Confidential Information.”

“Controlling Interest” means: (a) if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively (i) directly or indirectly own ~~at least 50%~~more than 20% of the shares of each class of the developer entity’s issued and outstanding capital stock or membership units, as applicable; and (ii) are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or (b) if you are a partnership, that the Owners (i) own ~~at least 51%~~more than 20% interest in the operating profits and operating losses of the partnership as well as ~~at least 51%~~more than 20% ownership interest in the partnership (and ~~at least 51%~~more than 20% interest in the shares of each class of capital stock of any corporate general partner); and (ii) are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

“Core Curriculum” refers to and means, as designated by Franchisor, at its sole discretion, a core suite of lesson plans comprised of lesson plans, curriculum, and program guides. Franchisor, in its sole discretion, may modify, replace, and/or substitute the programs comprising the Core Curriculum. Franchisee must use the Core Curriculum in the services offered by the Franchised Business.

“Corporate Entity” Refers to and means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person. A Competitive Business also includes any business

“**Renewal Fee**” means ~~25~~15% of the then-current initial franchise fee plus reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the renewal.

“**Royalty Fee**” means the continuing royalty fee Franchisee must pay to Franchisor as set forth in Section 6.B.

“**Service Vehicle**” refers to and means a specially designated vehicle that is branded and wrapped in accordance with Franchisor’s standards and specifications, has been approved by Franchisor in writing, and that is used by Franchisee in the operations of the Franchised Business. If Franchisee elects to lease or operate a Service Vehicle, Franchisee must obtain Franchisor’s approval as to the approved wrap, brand identification, and vehicle type.

“**Site Application**” means the documents and information that Franchisee must submit to Franchisor prior to Franchisor’s evaluation of a proposed site, including without limitation a description of the proposed site, demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics and a site plan of the premises.

“**Site Selection Area**” means the geographical area defined by the map in Attachment B within which Franchisee must conduct its search to find an acceptable location for its Franchised Business. “Site Selection Area Name,” as defined on the Summary Page, shall mean the general identifying name for the Franchisee’s area, and does not endow any greater area than the Site Selection map identified in Attachment B.

“**Snapology Business**” Refers to and means any businesses owned and/or operated by Franchisor, Franchisor’s affiliates or an authorized franchisee or licensee that utilizes or is required to utilize the System or Proprietary Marks. Generally, a Snapology Business may be developed and operated as either a Mobile Snapology, a Snapology Discovery Center, or a Classroom.

“**Snapology Event**” Refers to and means a paid event wherein Franchisee offers and provides the Services at a Third Party Site in accordance with the terms of this Agreement.

“**Standards**” means the standards, specifications, policies, procedures, and techniques that Franchisor has developed relating to the location, establishment, operation, and promotion of Franchisor’s Franchised Businesses, all of which may be changed by Franchisor in its sole discretion. The Standards include, among other things: required and recommended business practices; product preparation techniques; presentation standards; standards and specifications for Franchised Business design and appearance; customer service standards; sales techniques and procedures; and other management, operational, and accounting procedures.

“**Supplemental Curriculum**” refers to and means, as designated by Franchisor, in its sole discretion and judgment, supplemental lesson plans, programs, and program topics that are not a part of the Core Curriculum and that may be offered by Franchisee in addition to the Core Curriculum as a part of the Services. Notwithstanding the foregoing, the Supplemental Curriculum may include expansion packs and enhancements to lesson plans, programs, and topics that are a part of the Core Curriculum.

“**Supplies**” Refers to and means the equipment and supplies designated by Franchisor as required for use in connection with Franchisee’s Snapology Business and the Services. Without limitation to the foregoing, the Supplies shall include Snapology branded, non-branded and third-party branded equipment and supplies designated by Franchisor for use in connection with the day to day operations of Franchisees Snapology Business including, among other things: Curriculum, point of sale displays, uniforms, building kits, education kits, bricks and other building toys, stationary, sales slips, receipts, customer notices and other forms and materials, including those designated with and containing the Proprietary Marks. Supplies shall

further include those products that Franchisor authorizes for sale to customers of Franchisee’s Snapology Business.

“**Third Party Sites**” Refers to and means temporary third-party retail, commercial or community-based sites and venues such as schools, community centers, recreation centers and businesses located within Franchisee’s Protected Area that are of the type and nature that are approved by Franchisor as sites from which Franchisee is authorized to offer and provide the Proprietary Products. Franchisor, in its sole discretion may, from time to time, determine and modify the types of locations that qualify as approved Third Party Sites from which Franchisee may offer and provide the Proprietary Products.

“**Transfer Fee**” means:

- 1) 50% of the then-current initial franchise fee if Controlling Interest is transferred to a new approved franchisee;
- 2) 25% of the then-current initial franchise fee if Controlling Interest is transferred to an approved existing franchisee who has already undergone Franchisor’s initial training and any other required training and has at least one open and operating a Snapology franchised business; plus, reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the transfer, not to exceed \$3,500; or
- 3) \$3,500 if ~~i) 20% or less of the total outstanding units in the Franchised Business are~~ Non-Controlling Interest is being transferred to an approved Owner *and* ii) limited to one time per rolling twelve-month period (otherwise, 25% of the then-current initial franchise fee).

“**Undertaking and Guaranty**” Refers to and means the form of agreement attached to this Agreement as Attachment C. The Undertaking and Guaranty is an agreement and Guaranty entered into by the Owners Franchisee and is entered into in their respective individual and personal capacities.

“**Website**” means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages.

REGISTERED US MARKS:

Mark	USPTO Registration Number	Registration Date
SNAPOLOGY	4023579	September 6, 2011
	4221339	October 9, 2012
	5657566	January 15, 2019

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ATTACHMENT B

APPROVED LOCATION, SITE SELECTION AREA, AND PROTECTED AREA

Section 1.A. The Approved Location is at:

Section 1.B. The Protected Area partially includes the following zip codes and the map, where boundaries of the map control if there is a conflict:

Section 3.A. The Site Selection Area map ~~is:~~ and corresponding zip codes are:

[MAP]

If there is a conflict between the Site Selection Area map and zip codes, the boundaries of the Site Selection Area map control.

Section 3.C.(4) The home office address is at:

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Attachment B to be effective as of the Effective Date.

FRANCHISOR:

FRANCHISEE:

SNAPOLOGY, LLC,
a Pennsylvania limited liability company

ERROR! REFERENCE SOURCE NOT FOUND.,
a limited liability company

By: _____
Nancy Bigley, its President

By: _____
, its Member

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ATTACHMENT C

FRANCHISEE’S OWNERS AND KEY PERSONNEL

- A. The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in the Franchisee, and a description of the nature of their interest, each of whom shall execute the Undertaking and Guaranty substantially in the form set forth in Attachment D to the Franchise Agreement:

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL	OWNERSHIP INTEREST IN FRANCHISEE	NATURE OF INTEREST
	%	Member
_____	_____%	Member
_____	_____%	Member

- B. The following is a list of all of Franchisee’s Owners and key personnel, each of whom shall execute the Confidentiality Agreement and Non-Competition Agreement substantially in the form set forth in Attachment E to the Franchise Agreement:

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL	POSITION
Error! Reference source not found.	
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- C. Franchisee’s Designated Manager is: _____.

Telephone Number: _____.

Email Address: _____.

- D. Franchisee represents to Franchisor that the persons identified in this Attachment C, Sections A and B reflect a true and correct listing of the shareholders, partners, members, or other persons/companies owning a direct or indirect interest in the Franchisee and a true and correct description of the nature of their interest.

FRANCHISEE:

a _____

By: _____
_____, its Member

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ATTACHMENT E

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In consideration of my being an Owner of ___ (“Franchisee”) and by virtue of executing a Snapology Franchise Agreement dated ___ (“Franchise Agreement”) and this Confidentiality and Non-Competition Agreement (herein, “Agreement”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree as follows:

1. Through the Franchise Agreement, Franchisee has acquired the right and franchise from Snapology, LLC (“Franchisor”) to establish and operate a Snapology® franchise facility (“Franchised Business”) and the right to use in the operation of the Franchised Business the Proprietary Marks and the System, as they may be changed, improved, and further developed from time-to-time in Franchisor’s sole discretion.
2. Franchisor possesses certain proprietary and confidential information, knowledge, elements, and know-how which is utilized in the operation of the System, including, without limitation, the Manual, Proprietary Products, Intellectual Property Confidential Information and other techniques and know-how which concerns Franchisor’s systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software, as further described in the Franchise Agreement.
3. In addition to the Confidential Information identified in the Franchise Agreement, any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.
4. I acknowledge that, in my position with the Franchisee, Franchisor and Franchisee have or will furnish me with valuable specialized training and will disclose Confidential Information to me in furnishing to me the training program and subsequent ongoing training and other general assistance during the term of this Agreement.
5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and I acknowledge that the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.
6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will not disclose and/or use the Confidential Information except in connection with the operation of the Franchised Business as an Owner of the Franchisee, and then only in strict compliance with the Manual and System and only to such employees having a need to know; I will not directly or indirectly imitate, duplicate, or “reverse engineer” any Confidential Information or any other information designated by Franchisor as confidential or aid any third party in such actions; and I will continue not to disclose and/or use any Confidential Information or any other information designated by Franchisor as confidential even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Franchisor, I will not (either directly or indirectly, for myself or through, on behalf of, or in conjunction with any person, or legal entity) at any time while I am employed by or associated with the Franchisee, or at any time during the uninterrupted two (2)-year period (which will be tolled during any period of noncompliance) after I cease to be employed by or associated with the Franchisee (or the two (2)-year period after the expiration or earlier termination of the Franchise Agreement, whichever occurs first):
- (a) Divert or attempt to divert any present or prospective customer of any Snapology Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that is harmful, injurious, or prejudicial to the goodwill associated with the Proprietary Marks and the System defined and described in the Franchise Agreement; or
 - (b) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any direct or indirect interest in (as owner or otherwise) or relationship or association with, any Competitive Business other than Snapology Businesses pursuant to a then-currently effective Franchise Agreement with Franchisor. While I am employed by or associated with the Franchisee, this restriction shall apply to any location within the United States, its territories or commonwealths, and any other country, province, state, or geographic area in which Franchisor or its Affiliates have used, sought registration of, or registered the Proprietary Marks or similar marks, or have operated or licensed others to operate a business under the System or the Proprietary Marks or similar marks. After I cease to be employed by or associated with the Franchisee (or after the expiration or earlier termination of the Franchise Agreement, whichever occurs first), this restriction shall apply to any Competitive Business that either: (i) is or is intended to be located at the location of any current or former Snapology Business or within a 25-mile radius of any other Snapology Business in existence or under development at the time of such termination or transfer; or (ii) delivers services through the internet or mobile channels to customers within a 25-mile radius of the Approved Location of the Franchised Business.

I acknowledge that for purposes of this Agreement, “Competitive Business” means any business or enterprise that is the same or similar to Snapology businesses, including without limitation any business or enterprise, franchised or non-franchised, that operates or grants franchises or licenses for the operation of ~~any~~ business that provides ~~advice, guidance~~curriculum-based courses, events, classes, and training to high school students~~experiences using building toys, robotics, animation, coding, games, and their parents in preparing for, selecting, applying to~~engineering techniques, services, and paying for college~~products.~~

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.
9. I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.
10. Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or

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ATTACHMENT G

LEASE RIDER

THIS AGREEMENT is made and entered into on _____, 20____, by and among Snapology, LLC, having its principal offices at 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022 (“Franchisor”), _____, having its principal offices at _____ (“Landlord”), and **Error! Reference source not found.**, having its principal offices at _____ (“Tenant”).

BACKGROUND

- A. Landlord and Tenant have executed a lease agreement dated _____ (“Lease”) for the premises located at _____ (“Leased Premises”) for use by Tenant as a business to be opened pursuant to Franchisor’s proprietary marks and system in connection with a Franchise Agreement dated **Error! Reference source not found.** by and between Franchisor and Tenant (“Franchise Agreement”);
- B. A condition to the approval of Tenant’s specific location by Franchisor is that the Lease for the Leased Premises specify that the Leased Premises may be used only for the operation of a Snapology franchise facility (“Franchised Business”) and contain the agreements set forth herein;
- C. Landlord acknowledges that Franchisor requires the modifications to the Lease set forth herein as a condition to its approving the Leased Premises as a site for the Franchised Business, and that Landlord agrees to modify and amend the Lease in accordance with the terms and conditions contained herein; and
- D. According to Section 3.C. of the Franchise Agreement, all rights, title and interest in and to the Lease must be assigned to Franchisor, at Franchisor’s option, upon the termination of the Franchise Agreement;

AGREEMENT

In consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

- 1. Use Clause. The Leased Premises shall be used for the operation of a Snapology Franchised Business and identified by the mark Snapology® or such other name as may be specified by Franchisor or its affiliates. A portion, in any case less than 25%, of the Leased Premises, may also be used for operation of businesses associated with ~~Unleashed Brands, LLC~~ ~~affiliates of Franchisor~~, which shall not be the primary use of the Leased Premises and which additional use shall not violate any use restrictions that exist with respect to the Leased Premises as of the effective date of the Lease. Landlord acknowledges that such use shall not violate any then-existing exclusive rights granted to any existing tenant of Landlord. Landlord consents to Tenant’s use of Franchisor’s marks and signs, décor items, color schemes and related components of Franchisor’s proprietary system. Landlord further acknowledges that during the term of this Lease or any extension thereof, Landlord will not lease space to another business that provides curriculum-based courses, events, classes, and experiences using building toys, robotics, animation, coding, games, and engineering techniques, services, and products.
- 2. Termination of the Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated for any reason during the term of the Lease or any extension thereof, Tenant, upon the written request of Franchisor, shall assign to Franchisor or any affiliate designated by Franchisor (collectively hereinafter referred to as “Franchisor Assignee”) all of its rights, title and

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ATTACHMENT I

DASHBOARD ACCESS AGREEMENT

This Dashboard Access Agreement (“Agreement”) is entered into by Franchisor and Franchisee on the last date of execution below and amends the terms of the franchise agreement entered into by the parties (“Franchise Agreement”). Capitalized terms not defined herein have the meaning ascribed in the Franchise Agreement.

WHEREAS, Franchisor created an online dashboard through Microsoft’s Power BI to provide Snapology franchisees access to certain data, including, but not limited to, sales, operating expenses, membership sales and data, net promoter score, labor costs, and such other information as identified by Franchisor (“Data”); and

WHEREAS, ~~by checking one of the two boxes below, Franchisee is indicating its desired~~ desires to ~~acquire~~ purchase an optional, license for Power BI through Franchisor, view the Data provided by Franchisee and others, and share its Data on Power BI such that it is visible to other Snapology franchisees.

In light of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. LICENSE. Franchisee acknowledges its desire to purchase _____ (insert number of licenses to be purchased) twelve-month Power BI license(s) and agrees to reimburse Franchisor the License Fee (as defined below) charged by Microsoft for each Power BI license purchased. The “License Fee” shall equal \$10.00 per month per license plus applicable taxes, as such fee may be increased by Microsoft from time-to-time. Franchisor acknowledges the License Fee does not include any markup or rebate. Franchisee agrees Franchisor may bill the License Fee through the monthly royalty invoice and collect the License Fee pursuant to Franchisee’s ACH Authorization on file. If there is no ACH Authorization on file, then Franchisee shall remit payment to Franchisor by the deadline by which royalties are due Franchisor under the Franchise Agreement. Time is of the essence in the performance of the payment obligations hereunder, and violations of this Agreement constitute a violation under the Franchise Agreement. Access to Power BI is subject to all restrictions set forth in the Operations Manual and Microsoft’s terms, conditions, and license agreement available at <https://powerbi.microsoft.com/en-us/windows-license-terms>, which is incorporated herein. ~~Please check one of the two boxes below indicating your desire to acquire a Microsoft Power BI license and to the sharing of data as set forth in section 2 below. If Microsoft audits Franchisor’s account and determines additional fees are due because of your violation of the terms, conditions, and license agreement, then Franchisee agrees to pay such sum to Franchisor upon request.~~

2. SHARING OF AND ACCESS TO DATA. Franchisee acknowledges (a) ~~if Franchisee elects to opt in,~~ Franchisor may share Franchisee’s Data with other Snapology franchisees through the Power BI platform and such other platforms as identified by Franchisor and (b) ~~if Franchisee elects to opt out, such Franchisee’s the Data will~~ may be anonymous ~~on the Power BI platform with respect to those Snapology franchisees who do not execute this Agreement.~~ Franchisor makes no warranty or representation the Data will be representative of all Snapology franchisees. Further, Franchisee acknowledges and agrees it will access and use the Data solely with its efforts to improve the operation of its franchised business pursuant to the Franchise Agreement, and such Data is not provided in connection with the offer or sale of a franchise.

3. CONFIDENTIALITY. Franchisee agrees all Data Franchisor makes available to Franchisee through Power BI is Confidential Information as defined in the Franchise Agreement, and subject to confidentiality obligations and restrictive covenants set forth therein.

4. MISCELLANEOUS TERMS. This Agreement reflects the entire understanding of the parties regarding the subject matter hereof, may only be modified in writing, and supersedes any inconsistent or conflicting provisions of the Franchise Agreement. The remaining terms of the Franchise Agreement are unaffected by this Agreement and remain binding on the parties. The parties sign and deliver this Agreement to each other as shown below.

FRANCHISOR:

FRANCHISEE:

SNAPOLOGY, LLC,
a Pennsylvania limited liability company

a _____ limited liability company

By: _____
Nancy Bigley, its President

By: _____
, its Member

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**SNAPOLOGY®
FRANCHISE AGREEMENT**

ATTACHMENT J

AMENDMENT TO FRANCHISE AGREEMENT

[TRIAL OPERATING PROCEDURE AMENDMENT –]

This Amendment to Franchise Agreement (the “Amendment”) made and entered into on May 3, 2024, (the “Effective Date”) by and between Snapology LLC, a Pennsylvania limited liability company having its principle place of business at 2350 Airport Freeway, Suite 505, Bedford, TX 76022 (“Franchisor”); a limited liability company (“Franchisee”), and and (each a “Guarantor”), and amends the franchise agreement dated (the “Franchise Agreement”) between Franchisor and Franchisee for the Snapology franchised business in .

BACKGROUND

WHEREAS, Franchisee desires to provide services outside of the Protected Area (as the term is defined in the Franchise Agreement), where such rights do not exist in the Franchise Agreement; and

WHEREAS, Franchisor provides consent to such activities pursuant to the terms of this Amendment, where both parties agree that this Amendment is not an development or multi-unit agreement, nor does it provide any right of first refusal to the Franchisee.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants herein and for other consideration, the receipt of sufficiency of which is acknowledged, the parties hereto intending to be legally bound, do agree as follows:

1. TRIAL OPERATION. The first paragraph of Section 3.F. of the Franchise Agreement is amended with the following:

“(1) In consideration of Franchisee’s payment of \$500.00 or \$0 (“Reservation Fee”) to Franchisor and the general release below, Franchisor shall grant Franchisee a limited right to provide services pursuant to the Franchise Agreement only for specific events outside of the Protected Area (each an “Approved Event”). The physical location of any Approved Events shall not overlap onto or contain any portion of the Protected Area of another Snapology franchisee at any time, and, in no event, shall extend 25 miles in any direction past the outside boundary of the Franchisee’s Protected Area in the Franchise Agreement (“TOP Territory”). If at any time the Approved Event violates the terms of this Amendment, the approval for the Approved Event is automatically revoked. If Franchisor obtains a Snapology franchisee that will operate in the TOP Territory, Franchisee forfeits the TOP Territory and approval for any Approved Events are revoked, and Franchisee is required to provide to Franchisor a list of all upcoming Approved Events and transition all booked Approved Events and revenue generated from those Approved Events to the new Snapology franchisee. Franchisor shall determine a suitable timeline for such transition of Approved Events, which Franchisee shall be required to follow.

(2) Franchisee shall submit Approved Events where Franchisee desires to provide

Snapology services to Franchisor for approval before provision of such services, which Franchisor shall approve or deny within a reasonable period not to exceed 15 business days. Franchisee must obtain approval for each Approved Event, i.e., for the specific date(s), location, business partner and program of each event through Franchisor's designated approval process. Approval for previously held Approved Events does not mean that Franchisor approves future Approved Events; if Franchisee desires to hold an Approved Event again, Franchisee must obtain approval from Franchisor again. Franchisee shall not offer services pursuant to this Section without Franchisor's express written approval. If Franchisor does not provide written approval, then the request is automatically denied. If Franchisee violates this subsection, then Franchisor reserves the right to charge franchisee a \$500 administrative fee for every violation, in addition to Royalty Fees collected.

(3) Franchisee shall provide Snapology services for Approved Event, and all such revenue generated shall be subject to the terms of the Franchise Agreement, including all payment of fees. In any three (3)-month period, Gross Sales generated from Approved Events in the Top Territory shall not exceed 15% of the Gross Sales generated in the Protected Area; upon such event, Franchisor shall deny any further requests from Franchisee for Approved Events.

(4) Franchisee is prohibited from marketing and advertising outside of their Protected Area (i.e., may not market in the TOP Territory), and otherwise soliciting customers outside of its Protected Area. These prohibitions include but are not limited to communications and/or contacts occurring through in person contact, telephone, mail, e-mail, direct mail, distributed print media, social media, digital media, and all other direct and indirect advertising and marketing directed toward customers, potential customers, or referral sources of a Snapology Business or Third-Party Sites.

(5) The right to provide Snapology services for Approved Events under this Section expires on the one-year anniversary of the Effective Date (the "TOP Expiration Date"), unless terminated sooner. If Franchisee desires to renew the rights under this Amendment, it shall provide written notice of renewal to Franchisor at least 30 days before the TOP Expiration Date; if no notice of renewal is provided, then this Amendment shall expire automatically on its own terms without renewal. Franchisor, at its sole discretion, shall either grant or deny Franchisee's request for renewal of this Amendment. If Franchisor grants renewal, Franchisee shall pay the then-current Reservation Fee and sign the then-current amendment granting such rights under this Section.

(6) Franchisee shall not have resale or transfer rights related to Approved Events. If the Franchise Agreement is terminated for any reason (including as part of a transfer), then this Agreement shall also terminate and Franchisee shall completely forfeit the Reservation Fee.

(7) Franchisee must be in full compliance with the Franchise Agreement in order to exercise the rights under this Section, including being current on all monies owed to Franchisor and its affiliates at all times.

(8) During the term of this Amendment, if Franchisee conducts all Approved Events at an Affiliate Brand, then the Reservation Fee shall be waived. If Franchisee requests to

conduct any Approved Events at non-Affiliate Brand premises, and Franchisee has not paid \$500 as the Reservation Fee, then Franchisee shall pay the \$500 Reservation Fee before Franchisor processes the request for the Approved Event.”

2. GENERAL RELEASE. To the maximum extent permitted by applicable law, in consideration of Franchisor’s consent of Franchisee offering services in the TOP Territory and all other consideration, the receipt and sufficiency of which is acknowledged, the Franchisee and the undersigned guarantors on behalf of themselves and each of their past and present parents, subsidiaries, affiliates, predecessors, successors, assigns, officers, directors, shareholders, partners, owners, members, managers, agents, attorneys, employees, and representatives (collectively, the “Releasing Parties”) do remise, release, waive, and forever discharge Snapology, LLC, Snapology IP, LLC, Snapology International, LLC, Snapology Holdings, LLC, UA Holdings, LLC, Unleashed Brands, LLC, Unleashed Services, LLC and each of their respective past and present parents, subsidiaries, affiliates, predecessors, successors, assigns, officers, directors, shareholders, partners, owners, members, managers, agents, attorneys, employees, and representatives (collectively, the “Franchisor Parties”) from any and all claims, demands, obligations, liabilities, actions, proceedings, agreements, debts, demands, damages, accounts, charges, invoices, discounts, incentives, allowances, controversies, expenses, attorneys’ fees, suits, arbitrations, and causes of action whatsoever, in law or equity, whether known or unknown, past or present, which the Releasing Parties have, have had, claim to have, or may have against the Franchisor Parties including, but not limited to, any and all claims and damages in any way arising out of or related to (1) that Franchise Agreement and amendments between Franchisor and Franchisee regarding the operation of the Snapology franchised business located at _____ as amended; (2) any other franchise agreement or any other contract between any Releasing Party and any Franchisor Party; (3) the offer and sale of any Snapology franchise opportunity, (4) the disclosure requirements under the FTC Franchise Rule (16 CFR et seq); (5) any other state franchise law, (6) any alleged misrepresentations made by the Franchisor Parties in the sale of a franchise to the Releasing Parties or otherwise; (7) any and all claims arising under local, state, and federal laws, rules, and ordinances, whether statutory or under common law; (8) the Snapology business located at _____; (9) any relationship between the Releasing Parties and the Franchisor Parties; and (10) any relationship, contractual or otherwise, between the Releasing Parties and the Franchisor Parties. The Releasing Parties acknowledge this general release extends to all claims the Releasing Parties do not know or suspect to exist in their favor at the time of executing this general release, which if were known to exist may have materially affected the decision to enter into this general release. The Releasing Parties understand the facts in respect of which this general release is given may hereafter turn out to be other than or different from the facts known or believed to be true. By executing this general release, the Releasing Parties expressly assume the risk of the facts turning out to be different and agree this general release shall be in all respects effective and not subject to termination or rescission by any such difference in facts. The Releasing Parties, jointly and individually, covenant and agree that none of them will commence, maintain, participate in, or prosecute any claim, demand, suit, action, or cause of action against the Franchisor Parties concerning the claims released in this section.

3. RATIFICATION. The Franchise Agreement, as amended hereto, is hereby ratified and confirmed, and shall continue in full force and effect, subject to the terms and provisions thereof and hereof. In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control.

4. ENTIRE AGREEMENT. This Amendment reflects the entire agreement between the parties concerning the subject matter of the Transfer, and supersedes all prior discussions, negotiations, and

agreements between the Parties. This Amendment may be modified only by a written instrument signed by all parties.

5. PARTIES BOUND. This Amendment is binding upon and inures to the benefit of and shall be enforceable by the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

6. GOVERNING LAWS; DISPUTE RESOLUTION. This Amendment is governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws principles. Any dispute arising out of or related to this Amendment shall be governed by the dispute resolution provisions contained in the Franchise Agreement, which are incorporated herein by reference.

7. ENFORCEABILITY. If any one or more of the provisions contained in this Amendment are, for any reason, held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision thereof, and this Amendment will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

8. NOTICES. Any notices required or permitted to be given hereunder must be in writing and must be delivered personally or sent certified mail, return receipt requested, postage prepaid, addressed to the addresses set forth below the signature lines, and such notice will be deemed made when deposited into the U.S. mail.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

FRANCHISEE:

a limited liability company

By: _____
_____, its

FRANCHISOR:

SNAPOLOGY, LLC,
a Pennsylvania limited liability company

By: _____
Nancy Bigley, President

GUARANTORS:

, individually

, individually

Address for Notices:
2350 Airport Freeway, Suite 505
Bedford, Texas 76022
Attn: Chief Legal Officer

Address for Notices to Franchisee Parties:

Attention:
E-mail:

**EXHIBIT F
TO THE SNAPOLOGY®
FRANCHISE DISCLOSURE DOCUMENT**

**CURRENT FRANCHISEES AND DEVELOPERS, FORMER FRANCHISEES,
AND DEVELOPERS, AND AFFILIATE -OWNED LOCATIONS**

DO NOT SIGN THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

FRANCHISEES OPEN AS OF DECEMBER 31, 2022 2023			
State	Business Address	Franchisee	Phone Number
Alabama	riverregion@snapology.com	Snapology of The River Region ^M	334-318-2824
	auburn@snapology.com	Snapology of Auburn AL ^M	334-425-3735
Arizona	gilbert@snapology.com	Snapology of Gilbert AZ ^M	480-504-4236
	eastmesa@snapology.com	Snapology of Mesa East ^M	480-631-3103
California	trivalleyarcadia@snapology.com	Snapology of the Tri-Valley Arcadia CA ^M	925-452-6180 626-629-0129
	arcadia@snapologyadmin@snapologycampbellca.com	Snapology of Arcadia CA ^M Campbell, CA ^M	626-629-0129 603.809.3236
	santaclara@snapologyuasrar@gmail.com	Snapology of Santa Clara CA ^M Chino Hills ^M	408-329-3194 909.539.8029
	thousandoaks@snapology.com 1375 S Harbor Blvd, Fullerton, CA 92832	Snapology of Thousand Oaks CA ^M Fullerton ^C	805-413-4449 657.213.8897
	losgatos@snapology.com	Snapology of Los Gatos ^M	408-341-9510
	ellawang_wang@berkeley.edu	Snapology of Mountain View, CA ^M	906.677.7850
	ellawang_wang@berkeley.edu	Snapology of Palo Alto ^M	906.677.7850
	solanabeach@snapology.com	Snapology of Solana Beach ^M	858-356-4224
	ellawang_wang@berkeley.edu	Snapology of Sunnyvale, CA ^M	906.677.7850
	goldenlittletonthousandoaks@snapology.com	Snapology of Golden & Littleton CO ^M Thousand Oaks CA ^M	219-765-5500 805.413.4449
	trivalley@snapology.com	Snapology of the Tri-Valley ^M	925.452.6180
Colorado	aholub@snapologydenverph.com	Snapology of Denver-Park Hill (Central Denver), CO ^M	720-336-0850
	westbrowardgoldenlittleton@snapology.com	Snapology of West Broward Golden & Littleton CO ^M	954-598-5928 219.765.5500
Connecticut	kimonejohnson@gmail.com	Snapology of Stamford ^M	917.226.6891

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	425 Bank Street, Waterbury, CT 06708	Snapology of Waterbury^C	972.537.8244
Florida	9950 Southside Blvd., South Jacksonville, FL 32256	Snapology of South Jacksonville, FL^C	904.348.0722
	carlacarder@snapologysouthjax.com	Snapology of Jacksonville Beaches, FL^M	904.348.0722
	lakeland@snapology.com	Snapology of Lakeland^M	863.888.2442
	6729 Colonnade Ave, Ste 130, Melbourne, FL 32940	Snapology of Melbourne, FL^C	321.473.7290
	miamibeach@snapology.com	Snapology of Miami Beach^M	786-.233-8883
	10341 Cross Creek Blvd, Suite B, New Tampa, FL 33647	Snapology of New Tampa^{DC}	813.760.1647
	trammel_matt@yahoo.com	Snapology of Port Salerno^M	616.990.5628
	9020 South US Hwy 1 Port St. Lucie FL 43952	Snapology of Port St Lucie-East^C	772.577.1485
	sarasota@snapology.com	Snapology of Sarasota^M	941.315.4816
	saintpete@snapology.com	Snapology of St Pete^M	727-.306-1600
	1644 Governor's Square Blvd., Tallahassee, FL 32301	Snapology of Tallahassee, FL^C	850-.270-2399
	sarasota@snapology.com	Snapology of Sarasota^M	941-315-4816
	lakeland@snapology.com	Snapology of Lakeland^M	863-888-2442
	tamiami@snapology.com	Snapology of Tamiami^M	786-.522-7375
9020 SOUTH US HWY 1 PORT ST. LUCIE FL 43952 alopez@snapology.com	Snapology of Port St Lucie-East^C West Broward County, FL^M	772-577-1485 954.408.4766	
Georgia	melissanbridgers@yahoo.com	Snapology of South Jacksonville, FL^C Kennesaw^M	904-348-0722 678.371.2572
	earlacarder@snapologysouthjax.com	Snapology of Jacksonville Beaches, FL^M	904-348-0722
	savannah@snapology.com	Snapology of Savannah^M Savannah^M	770-.883-3024
	Tifton@snapology.com	Snapology of Tifton^M	229-402-9986
	Smyrna@snapology.com	Snapology of Smyrna^M	404-.884-8478
	Tifton@snapology.com	Snapology of Tifton^M	229.402.9986

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Illinois	Chicago@snapology.com	Snapology of Chicago ^M	773-759-9766
	mehenry@snapology.com	Snapology of McHenry IL ^M	815-708-1200
	evergreenpark@snapology.com	Snapology of Evergreen Park ^M	312-612-9204
	indy-westmchenry@snapology.com	Snapology of Indianapolis-West TM McHenry IL ^M	317-363-1859 815.708.1200
	noblesville@snapology.com	Snapology of Noblesville IN TM	317-672-0010
Iowa	hiawatha@snapology.com	Snapology of Hiawatha ^M	319-382-2454
Kentucky	louisville-east@snapology.com	Snapology of Louisville-Northeast TM	502-310-9870
Maryland	5830 Ballenger Creek Pike, Frederick, MD 21703 7830 Rossville Blvd, Nottingham, MD 21236	Snapology of Towson MD ^{DC} Frederick, MD ^C	301.461.4168
	Germantown@snapology.com	Snapology of Germantown MD ^M	410-705-5117
	hopedale@snapology.com 7830 Rossville Blvd, Nottingham, MD 21236	Snapology of Hopedale MA ^M Towson MD ^{DC}	443.625.7627 215-262-2314
Massachusetts	15 Tyngsboro Rd Unit 6A, North Chelmsford, MA 01863	Snapology of Fitchburg ^{DC}	978-400-2239
	hopedale@snapology.com	Snapology of Hopedale MA ^M	215.262.2314
Michigan	troy@snapology.com	Snapology of Troy-Macomb ^M	586.580.8189
Minnesota	2649 Lyndale Ave S, Minneapolis, MN 55408	Snapology of Minneapolis ^{DC}	612.440.7627
	3580 Holly Lane, Plymouth, MN 55447	Snapology of Plymouth, MN ^{MN} ^C	612-720-6767
Montana	helena@snapology.com	Snapology of Helena MT ^M	406-282-8868
Nebraska	tina.reckamp@snapology.com	Snapology of Elkhorn, NE ^M	702.296.7589
New Hampshire	info@snapologydovernh.com	Snapology of Dover ^M	603-722-0891
New Jersey	ruhee@relyantsolutions.com	Snapology of E. Brunswick ^M	214.738.6102
	980 Shrewsbury Ave, Tinton Falls, NJ 07724	Snapology of Monmouth Co ^{DC}	310-883-8970
	summit@snapology.com	Snapology of Summit NJ ^M	908-388-1619
	Princeton@snapology.com	Snapology of Princeton NJ ^M	609-607-7627

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	Seafordsummit@snapology.com	Snapology of Seaford NY Summit NJ ^M	516-785-0080 908.388.1619
New York	longislandcity@snapology.com	Snapology of Manhattan & LIC ^M	833-697-8326
	Seaford@snapology.com	Snapology of Seaford NY ^M	516.785.0080
	whiteplainsmappollonio@snapology.com	Snapology of White Plains ^M Plains ^M	(914-295-4543) 432.4925
North Carolina	chapelhill@snapology.com	Snapology of Chapel Hill & Holly Springs ^M	919-727-8767
	wendell@snapology.com	Snapology of Wendell NC ^M	412-576-8993
	4909 D Expressway Dr, Wilson, NC 27893		252-266-0196
	17001 Kenton Place, Cornelius, NC 28031	Snapology of Cornelius, NC ^C	704-997-5581
	120 Wake Competition Lane, Morrisville, NC 27560	Snapology of Morrisville NC ^C	919.704.7179
	4909.D Expressway Dr, Wilson, NC 27893	Snapology of Rocky Mount ^{DC}	252.266.0196
	westchestertwpwendell@snapology.com	Snapology of West Chester Wendell NC ^M	513-988-7363 412.576.8993
	crystal.rosen@snapologykyle.com	Snapology of Wilmington ^M	512.348.8902
Ohio	clevelandginac@snapology.com	Snapology of Cleveland ^M Cleveland ^M	216-990-8988 353.7764
	5243 Airport Highway, Toledo, OH 43615	Snapology of Toledo (West), OH ^C	419-461-5483
	nmodes@snapology.com	Snapology of Washington Twshp ^M	614.657.7391
	heatherhetterick@snapologyperrysburg.com westchestertwp@snapology.com	Snapology of Perrysburg, OH ^M West Chester ^M	419-350-4441 513.988.7363
Oklahoma	Bethany@snapology.com	Snapology of Bethany ^M	405-623-9792
Oregon	McMinnville@snapology.com	Snapology of McMinnville ^M	541-299-2799
Pennsylvania	camphill@snapology.com	Snapology of Camp Hill ^M	717.745.6575
	kingofprussia@snapology.com	Snapology of King of Prussia, PA ^M	610.202.3111
	1571 Manheim Pike, Lancaster, PA 17601	Snapology of Lancaster,	717-719-4154

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		Reading & Hershey ^M	
			<u>610-202-3111</u>
			<u>717-745-6575</u>
	matthewralph@snapologynewtownsquare.com	Snapology of Newtown Square, PA ^M	856-266-5410
Rhode Island	northeasternri@snapology.com	Snapology of Northeast RI ^M	401-529-3680
South Carolina	5580 Sunset Boulevard, Lexington, SC 29072	Snapology of Lexington, SC ^{DC}	803-386-7456
Texas	<u>sanantonio@snapology.com</u>	<u>Snapology of San Antonio^M</u>	<u>210-551-4147</u>
	<u>12285 Pellicano Dr, El Paso, TX 79936</u>	<u>Snapology of El Paso TX^M</u>	<u>915-345-9016</u>
Texas	amarillo@snapology.com	Snapology of Amarillo TX ^M	806-414-5353
	<u>grapevine@snapology.com</u>	<u>Snapology of Grapevine-Keller^M</u>	<u>817-440-SNAP</u>
	<u>kingwood@snapology.com</u>	<u>Snapology of Kingwood TX^M</u>	<u>281-923-2795</u>
	<u>ey-woods@snapology.com</u>	<u>Snapology of Cypress-Woodlands^M</u>	<u>832-777-7627</u>
	1910 Fortview Rd, Austin, TX 78704	Snapology of Austin ^M	512-368-9090
	<u>NewBraunfels@snapology.com</u>	<u>Snapology of New Braunfels^M</u>	<u>210-480-4348</u>
	Benbrook@snapology.com	Snapology of Benbrook ^M	682-231-1959
	<u>kim.nisson@gmail.com</u>	<u>Snapology of Cedar Park^{DC}</u>	<u>619.757.9449</u>
	<u>Viviana.pelton@icloud.com</u>	<u>Snapology of Corpus Christi, TX^M</u>	<u>512.947.2243</u>
	<u>cy-woods@snapology.com</u>	<u>Snapology of Cypress-Woodlands^M</u>	<u>832.777.7627</u>
	<u>12285 Pellicano Dr, El Paso, TX 79936</u>	<u>Snapology of El Paso TX^M</u>	<u>915.345.9016</u>
	<u>mansfieldgrapevine@snapology.com</u>	<u>Snapology of Mansfield^MGrapevine-Keller^M</u>	<u>817-808-2412.440.SNAP</u>
	<u>dee@meadowoaksacademy.com</u>	<u>Snapology of Heath, TX^{DC}</u>	<u>817.371.5795</u>
	25307 Kingsland Blvd., Katy, TX 77494	Snapology of Katy, TX ^C	281-769-5111
	100 TX-332, Lake Jackson, TX 77566	Snapology of Lake Jackson, TX ^C	979-258-0145
	<u>kim@snapologyleander.com</u>	<u>Snapology of Leander, TX^M</u>	<u>512.222.7627</u>

DO NOT SIGN THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

	kriskramer@gmail.com	Snapology of McKinney ^M	469.831.5131
	Hildatec2002@yahoo.com	Snapology of Midland ^M	432.312.7772
	NewBraunfels@snapology.com	Snapology of New Braunfels ^M	210.480.4348
	sanantonio@snapology.com	Snapology of San Antonio ^M	210.551.4147
	9848 Highway 90, Sugar Land, TX 77478	Snapology of Sugar Land, TX ^C	281-201-5704
Utah	kim@snapologyleanderboulter@gmail.com	Snapology of Leander, TX ^M Layton, UT ^M	512-222-801.448.7627
	erystal.rosen@snapologykyle.com	Snapology of Kyle Dripping Springs, TX ^M	512-348-8902
	lehi@snapology.com	Snapology of Lehi UT ^M	801-449-0050
	adster7@gmail.com	Snapology of Syracuse, UT	801.678.0615
Virginia	caseyenders@gmail.com	Snapology of Fairfax, VA ^M	571.251.6563
	4254 Plank Road, Fredericksburg, VA 22407.	Snapology of Fredericksburg, VA ^C	941.441.6508
	eairewele@snapologyglenallen.com	Snapology of Glen Allen, VA ^M	434.409.5965
	jennywhiting@snapologyharrisonburg.com	Snapology of Harrisonburg, VA ^{DC}	540-849-6852
	chad@thelittlegym.com	Snapology of Loudoun, VA #1	703.795.4111
	chad@thelittlegym.com	Snapology of Loudoun, VA #2	703.795.4111
	redmondjayesh.lalwani@snapology.com	Snapology of Redmond WA ^M McLean, VA ^M	425-243-4026571.217.3957
Washington	gigharbor@snapology.com	Snapology of Gig Harbor WA ^M	253-313-5832
	redmond@snapology.com	Snapology of Redmond WA ^M	425.243.4026

LICENSEES AS OF DECEMBER 31, 2022*2023

State	Business Address	Licensee	Phone Number
North Carolina	Raleigh NC 27617	Snapology of Raleigh	919-500-0673

* We and our affiliates no longer offer this licensing program.

DEVELOPERS AS OF DECEMBER 31, 2022

State	Business Address	Developer	Phone Number
As of December 31, 2022, there are no franchisees that signed Development Agreements.			

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As of December 31, 2023, there are no franchisees that signed Development Agreements.

**FRANCHISEES WHO SIGNED FRANCHISE AGREEMENT
BUT WERE NOT YET OPEN AS OF DECEMBER 31, ~~2022~~2023**

State	Business Address	Franchisee	Phone Number
Alabama	5900 University Dr., Huntsville, AL 35806	Snapology of Huntsville (SW), AL ^C	936-446-7889
Arizona	8235 W Bell Rd., Peoria, AZ 85382	Snapology of Peoria, AZ ^C	936-446-7889
Arkansas	info@snapologyrogers.com	Snapology of Rogers AR ^{DC}	479-343-9701
California	1375 S Harbor Blvd, Fullerton, CA 92832	Snapology of Fullerton, CA^C	657-213-8897
California	stevekennard@snapologychulavistaeast.com	Snapology of Chula Vista (East), CA ^{DC}	760-580-9158
	admin@snapologycampbellealex.portugal.ns@gmail.com	Snapology of Campbell, CA^M Irvine ^M	603-809-3236 949.500.6038
	paloalto@snapologyalex.portugal.ns@gmail.com	Snapology of Palo Alto^M Tustin ^M	415-666-2957 949.500.6038
Colorado	7730 N Academy Blvd., Colorado Springs, CO 80920	Snapology of Colorado Springs (North), CO ^{DC}	719-755-0504
Florida Georgia	10341 Cross Creek Blvd, Suite B, New Tampa, FL 33647 ziadeletr@gmail.com	Snapology of New Tampa^{DC} Duluth ^M	813-760-1647 561.698.4549
Idaho	6729 Colonnade Ave, Ste 130, Melbourne, FL 32940amontecchi@thelittlegym.com	Snapology of Melbourne, FL^C W. Boise ^M	321-473-7290 608.338.7452
Illinois	7137 East State Street, Rockford, IL 61108	Snapology of Rockford ^C	262.960.9731
Maryland	998 Largo Center Dr., Upper Marlboro, MD 20774	Snapology of Frederick Largo, MD ^C	301-461-4168 302.983.0933
	jgohil06@gmail.com	Snapology of Silver Springs, MD ^M	443.359.1614
Minnesota	7370 153rd St W, Apple Valley, MN 55124	Snapology of Apple Valley, MN ^C	612-812-4172
Nebraska	tina.reckamp@snapology.com	Snapology of Elkhorn, NE ^M	702-296-7589
Nevada	4817 W Craig Rd., Las Vegas, NV 89130	Snapology of Las Vegas North, NV ^C	936-446-7889
New Jersey	georgeday1@yahoo.com	Snapology of Livingston ^M	201.726.2826

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	kinjal.parikh@gmail.com	Snapology of Jersey City ^M	832.868.9041
New Mexico	To be determined 5001 Montgomery Blvd NE, Albuquerque, NM, 87109	Snapology of Albuquerque, NM ^{DC}	979-324-4606
North Carolina Oregon	120 Wake Competition Lane, Morrisville, NC 27560 meizhou04@gmail.com	Snapology of Morrisville NC ^C Beaverton ^M	503.919-704-7179 9090
Texas Pennsylvania	To be determined sbarekare@gmail.com	Snapology of Heath, TX ^{DC} Downingtow n ^M	817-371-5795 610.850.3593
Texas	20251 Gulf Fwy, Webster, Texas 77598	Snapology of League City/Webster, TX ^C	281-408-2081
	kim@snapologycedarpark.com	Snapology of Round Rock ^M	619.757.9449
Utah	adster7@gmail.com	Snapology of Ogden ^M	801.678.0615
	4601 1st Avenue, Taylorsville, UT	Snapology of Taylorsville, UT ^C	832.567.8548
	bboulter@gmail.com	Snapology of Layton, UT ^M	801-448-7627
Virginia	14101 Crossing Place, Woodbridge, VA 22192	Snapology of Woodbridge, VA ^C	703-973-7216
	eairewele@snapologyglenallen.com	Snapology of Glen Allen, VA ^M	434-409-5965
	jayesh.lalwani@snapology.com	Snapology of McLean, VA ^M	571-217-3957
			571-251-6563
	7523 Somerset Crossing Dr, Gainesville, VA 20155	Snapology of Gainesville, VA ^C	832-651-6443
	To be determined	Snapology of Newport News, VA ^C	757-317-5396 804.510.9973
To be determined	Snapology of Virginia Beach, VA ^C	757-317-5397 804.510.9973	
Washington	pjaltota@gmail.com	Snapology of Mukilteo ^M	425.299.0872

FRANCHISEES WHO HAVE LEFT THE SYSTEM AS OF DECEMBER 31, ~~2022~~2023, OR WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE ISSUANCE DATE OF THE FRANCHISE DISCLOSURE DOCUMENT

State	Business Address	Franchisee	Phone Number
Florida Arizona	tpatel@steven.rose@snapology.com	Snapology of Brandon, FL ^M Mesa East ^M	813-505-0475 480-631.3103

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<u>Kentucky</u> <u>California</u>	opylant@snapologyshilpinair@gmail.com	Snapology of <u>Louisville,</u> <u>KY^MPalo Alto</u> <u>M</u>	<u>502-443-</u> <u>0285415.666.295</u> <u>7</u>
	rubysoliman@snapologyswetanavendusinha@icloud.com	Snapology of <u>Columbia,</u> <u>MO^MSanta</u> <u>Clara CA^M</u>	<u>573-340-</u> <u>1811408.329.319</u> <u>4</u>
<u>Indiana</u>	steveberg1974@yahoo.com	Snapology of <u>Indianapolis -</u> <u>West^M</u>	<u>317.363.1859</u>
	xiaowei1003@gmail.com	Snapology of <u>Noblesville IN</u> <u>M</u>	<u>317.672.0010</u>
<u>Ohio</u>	hlhetterick@gmail.com	Snapology of <u>Perrysburg,</u> <u>OH^M</u>	<u>419.350.4141</u>
<u>Texas</u>	ariel.maliesemansfield@snapology.com	Snapology of <u>Kingwood,</u> <u>TX^MMansfield</u> <u>M</u>	<u>281-572-</u> <u>0382817.808.241</u> <u>2</u>

Key:

^M denotes Mobile Snapology franchisees

^{DC} denotes Snapology Discovery Center

^C denotes Snapology Classrooms inside an Urban Air Adventure Park

Notes:

~~Snapology of Santa Clara, CA owns and operates 2 territories~~

Snapology of Golden & Littleton, CO owns and operates 2 territories

Snapology of Monmouth, ~~CO~~ County, NJ owns and operates 2 territories

Snapology of Cleveland, OH owns and operates 2 territories

Snapology of Seaford, NY owns and operates 5 territories

Snapology of Manhattan & LIC owns and operates 3 territories

Snapology of Lancaster, Reading & Hershey owns and operates 3 territories

Snapology of Cypress-Woodlands owns and operates 2 territories

Snapology of Sugar Land & Katy owns and operates 2 territories

Snapology of San Antonio owns and operates 2 territories

Snapology of Redmond WA owns and operates 3 territories

LIST OF CORPORATE OR AFFILIATE-OWNED OUTLETS AS OF DECEMBER 31, 2023

<u>NAME</u>	<u>ADDRESS</u>	<u>PHONE</u>
<u>Fort Worth Urban Air, LLC</u>	<u>9157 Harmon Rd, Fort Worth, TX</u> <u>76177</u>	<u>(682) 207-1936</u>
<u>FM SnapTLGI, LLC</u>	<u>5801 Long Prairie Rd Suite 380,</u> <u>Flower Mound, TX 75028</u>	<u>(972) 325-6683</u>

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

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**SNAPOLOGY®
FRANCHISE DISCLOSURE QUESTIONNAIRE**

As you know, SNAPOLOGY, LLC (“we” or “us”) and you are preparing to enter into a Franchise Agreement for the operation of a Snapology franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the disclosure document, but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer ~~on the back of this sheet~~ by emailing franchising@unleashedbrands.com.

- Yes ___ No ___ 1. Have you received and personally reviewed the Snapology Franchise Agreement and each exhibit or schedule attached to it?
- Yes ___ No ___ 2. Have you received and personally reviewed the Snapology disclosure document we provided?
- Yes ___ No ___ 3. Did you sign a receipt for the Snapology disclosure document indicating the date you received it?
- Yes ___ No ___ 4. Do you understand all the information contained in the Snapology disclosure document and Franchise Agreement?
- Yes ___ No ___ 5. A) Have you had ample time and the opportunity to review Snapology disclosure document and Snapology Franchise Agreement with a lawyer, accountant or other professional advisor?
- Yes ___ No ___ B) Have you had the opportunity to discuss the benefits and risks of operating an Snapology franchise with your professional advisor?
- Yes ___ No ___ C) Did you discuss the benefits and risks of operating an Snapology franchise with an existing Snapology franchisee?
- Yes ___ No ___ 6. Do you understand the risks of operating an Snapology franchise?
- Yes ___ No ___ 7. Do you understand the success or failure of your Snapology franchise will depend in large part upon your skills, abilities and efforts and those of the person you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
- Yes ___ No ___ 8. Do you understand we are not obligated to provide assistance to you in finding and securing a location for your Snapology Franchised Business?
- Yes ___ No ___ 9. Do you understand that the Franchise Agreement and the attachments contain the entire agreement between us and that you are not relying on any oral promises or representations that are not explicitly stated in the Franchise Agreement?
- Yes ___ No ___ 10. Do you understand that your Designated Manager must successfully complete our initial training program?

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- Yes ___ No ___ 11. Do you understand we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?
- Yes ___ No ___ 12. Is it true that, except as provided in Item 19 of our FDD, we and our affiliates have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of Snapology franchise or any other business?
- Yes ___ No ___ 13. Do you understand that actual results vary from unit to unit and from time period to time period, and we cannot estimate, project, or predict the results of any particular Snapology business?
- Yes ___ No ___ 14. Do you acknowledge that you are an independent contractor and responsible for running your own Snapology business and that we do not have any authority to control, hire, or fire your employees?
- Yes ___ No ___ 15. Is it true that neither we or our affiliates, or any of our or our affiliates' employees, have provided you with services or advice that is legal, accounting, or other professional services or advice?
- Yes ___ No ___ 16. A) Do you understand that the U.S. Government has enacted anti-terrorist legislation that prevents us from carrying on business with any suspected terrorist or anyone associated directly or indirectly with terrorist activities?
- Yes ___ No ___ B) Is it true that you have never been a suspected terrorist or associated directly or indirectly with terrorist activities?
- Yes ___ No ___ C) Do you understand that we will not approve your purchase of an Snapology franchise if you are a suspected terrorist or associated directly or indirectly with terrorist activity?
- Yes ___ No ___ D) Is it true that you are not purchasing an Snapology franchise with the intent or purpose of violating any anti-terrorism law, or for obtaining money to be contributed to a terrorist organization?

For Maryland Residents/Franchises to be Located in Maryland Only: Such representations are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

For Washington Residents Only: Such representations are not intended to nor will they act as a waiver of any liability incurred under the Washington Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

(SIGNATURE PAGE FOLLOWS.)

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Print Name

Signature

Date

If signing on behalf of a corporation or other entity, please complete the following:

Name of Entity

Title

GENERAL RELEASE

This general release (the "General Release") is made and entered into on _____, _____ by and between Snapology, LLC ("Franchisor"), _____ ("Franchisee"), _____ and _____ (together with the Franchisee, the "Franchise Parties"). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Franchisee Parties agree as follows:

1. To the maximum extent permitted by applicable law, the Franchisee Parties on behalf of themselves and each of their past and present parents, subsidiaries, affiliates, predecessors, successors, assigns, officers, directors, shareholders, partners, owners, members, managers, agents, attorneys, employees, and representatives (together with the Franchisee Parties, the "Releasing Parties") do remise, release, waive, and forever discharge Snapology, LLC, Snapology IP, LLC, Snapology International, LLC, Snapology Holdings, LLC, UA Holdings, LLC, Unleashed Brands, LLC, Unleashed Services, LLC and each of their respective past and present parents, subsidiaries, affiliates, predecessors, successors, assigns, officers, directors, shareholders, partners, owners, members, managers, agents, attorneys, employees, and representatives (collectively, the "Franchisor Parties") from any and all claims, demands, obligations, liabilities, actions, proceedings, agreements, debts, demands, damages, accounts, charges, invoices, discounts, incentives, allowances, controversies, expenses, attorneys' fees, suits, arbitrations, and causes of action whatsoever, in law or equity, whether known or unknown, past, present, or future, which the Releasing Parties have, have had, claim to have, or may have against the Franchisor Parties including, but not limited to, any and all claims and damages in any way arising out of or related to (1) that franchise agreement and amendments between Franchisor and Franchisee dated _____ regarding the operation of the Snapology franchised business located at _____, as amended; (2) any other franchise agreement or any other contract between any Releasing Party and any Franchisor Party; (3) the offer and sale of any Snapology franchise opportunity, (4) the disclosure requirements under the FTC Franchise Rule (16 CFR et seq); (5) any other state franchise law, (6) any alleged misrepresentations made by the Franchisor Parties in the sale of a franchise to the Releasing Parties or otherwise; (7) any and all claims arising under local, state, and federal laws, rules, and ordinances, whether statutory or under common law; (8) the Snapology business located at _____; (9) any relationship between the Releasing Parties and the Franchisor Parties; and (10) any relationship, contractual or otherwise, between the Releasing Parties and the Franchisor Parties.

2. The Releasing Parties acknowledge this General Release extends to all claims the Releasing Parties do not know or suspect to exist in their favor at the time of executing this General Release, which if were known to exist may have materially affected the decision to enter into this General Release. The Releasing Parties understand the facts in respect of which this General Release is given may hereafter turn out to be other than or different from the facts known or believed to be true and agree this General Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts. By executing this General Release, the Releasing Parties expressly assume the risk of the facts turning out to be different and agree this General Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts. The Releasing Parties acknowledge and agree that they have had the opportunity to seek the advice of and are represented by independent legal counsel and have read and understood all the terms and provisions of this General Release. The Releasing Parties, jointly and individually, covenant and agree that none of them will commence, maintain, participate in, or prosecute any claim, demand, suit, action, or cause of action against the Franchisor Parties concerning the claims released in this General Release.

3. This General Release represents the entire agreement of the parties regarding the subject matter hereof and may only be modified in writing.

This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[If Releasor is domiciled or has his or her principal place of business in the State of California]

WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE.

_____ (“Releasor”) for myself and on behalf of all persons acting by or through me, acknowledge that I am familiar with Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Releasor hereby waives and relinquishes every right or benefit which I have under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that they may lawfully waive such right or benefit. In connection with this waiver and relinquishment, Releasor acknowledges he or she may hereafter discover facts in addition to or different from those which he or she now knows or believes to be true with respect to the claims herein released, but that it is the parties’ intention, subject to the terms and conditions of this General Release, to fully, finally and forever settle and release all such claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist. In furtherance of such intention, the releases given in this General Release shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts.

Releasor warrants and represents the release set forth above is a complete defense to any claim encompassed by its terms, and covenants not to initiate, prosecute, or otherwise participate in any action or proceeding in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under this General Release with respect to any claim or cause of action released under this General Release.

IN WITNESS WHEREOF, the parties hereto have executed this General Release as of the dates set forth above.

FRANCHISEE PARTIES:

_____,
a _____

By: _____
_____, its _____

_____, individually

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]

(b) You have demonstrated to Franchisor, in Franchisor's sole discretion, your financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement.

(c) You, your Owners, each of your Affiliates, and their Owners who have a then-currently effective Franchise Agreement or Development Agreement with Franchisor has signed a general release, in a form prescribed by Franchisor, of any and all claims that the party has, had, or claims to have against Franchisor and/or its Affiliates and their respective officers, directors, agents and employees, whether the claims are known or unknown, arising out of or relating to this Agreement, any Franchise Agreement, the relationship created by this Agreement or any Franchise Agreement, and the offer and sale of a Snapology franchise opportunity.

5. DUTIES OF THE PARTIES

5.1 Franchisor's Assistance. Franchisor shall furnish to Developer the following:

5.1.1. Site selection guidelines, including Franchisor's minimum standards for Snapology sites and sources regarding demographic information, and such site selection counseling and assistance as Franchisor may deem advisable.

5.1.2. Such on-site evaluation as Franchisor deems advisable in its sole discretion in response to Developer's request for site approval for each proposed site; provided, however, that Franchisor shall not provide on site evaluation for any proposed site prior to the receipt of a site application for such site prepared by Developer.

5.2 Designated Principal. If Developer is other than an individual, Developer shall designate, subject to Franchisor's ~~reasonable~~ approval, one Owner, as identified in Attachment C, who is both an individual person and owns at least a ten percent (10%) of Developer, and who shall be responsible for general oversight and management of the development of the Franchised Locations under this Agreement pursuant to the Development Schedule (the "**Designated Principal**"). Once open, the Developer or Designated Principal may appoint a Designated Manager, pursuant to the respective Franchise Agreement, to operate the Unit. Developer acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Principal to have been given, by Developer, the responsibility and decision-making authority regarding the Developer's business and operation. In the event the person designated as the Designated Principal becomes incapacitated, leaves the employ of Developer, transfers his/her interest in Developer, or otherwise ceases to supervise the development of the Franchised Locations, Developer shall promptly designate a new Designated Principal, subject to Franchisor's ~~reasonable~~ approval.

5.3 Records and Reports to Franchisor. Developer shall, at its expense, comply with the following requirements to prepare and submit to Franchisor upon request the following reports, financial statements and other data, which shall be prepared in the form and using the standard statements and chart of accounts as Franchisor may prescribe from time to time:

5.3.1. No later than the twentieth (20th) day of each calendar month, Developer shall have prepared a profit and loss statement reflecting all of Developer's operations during the last preceding calendar month, for each Franchised Location. Developer shall prepare profit and loss statements on an accrual basis and in accordance with generally accepted accounting principles. Developer shall submit such statements to Franchisor at such times as Franchisor may designate or as Franchisor may otherwise request;

5.3.2. On April 15th of the year following the end of Developer's fiscal year, a complete annual financial statement (prepared according to generally accepted accounting principles), on a compilation basis, and if required by Franchisor, such statements shall be prepared by an independent certified public accountant; and

5.3.3. Such other forms, reports, records, information, and data as Franchisor may reasonably designate.

5.4 Maintaining Records. Developer shall maintain during the term of this Agreement, and shall

preserve for at least seven (7) years from the dates of their preparation, and shall make available to Franchisor at Franchisor's request and at Developer's expense, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles.

5.3. Compliance with Laws. Developer shall fully comply with all federal, state, and local laws, rules, and regulations when exercising its rights and fulfilling your obligations under this Agreement and any franchise agreement.

6. COVENANTS

6.1. Confidential Information. Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and shall disclose such information or materials only to such of Developer's employees or agents who must have access to it in connection with their employment. Developer shall not at any time, during the term of this Agreement or thereafter, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

6.2. During the Term. Developer specifically acknowledges that, pursuant to this Agreement, Developer will receive valuable specialized training and confidential information, which may include, without limitation, information regarding the operational, sales, advertising and promotional methods and techniques of Franchisor and the System. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

(a) Divert or attempt to divert any business or guest of any Snapology business or of any unit under the system to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the proprietary marks or the system.

~~(b) — Unless released in writing by the employer, employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee or Developer of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.~~

~~(e)(b)~~ Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined in Attachment A). Developer acknowledges and agrees that Developer shall be considered in default under this Agreement and that this agreement will be subject to immediate termination in sole discretion of Franchisor, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Developer (or, if Developer is other than an individual, each Owner that is subject to these covenants) engages in a Competitive Business that would violate this section 6.2 if such person was subject to the covenants of this section 6.2.

6.3. Post-Termination. Developer covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of two (2) years from the date of (a) a transfer permitted under Section 8 below; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 8.3; or (e) any or all of the foregoing, Developer shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, partnership, corporation, or other entity, own, maintain, operate, engage in, be employed by, or have any interest in any Competitive Business, which is, or is intended to be, located (i) within the Development Area (other than those Units provided for in the Development Schedule), or (ii) within a radius of twenty-five (25) miles of

any other Snapology business in operation or under construction on the effective date of termination or expiration located anywhere. Provided, however, that this provision shall not apply to the operation by Developer of any business under the System under a franchise agreement with Franchisor.

6.4. Exception for Ownership in Public Entities. Sections 6.2 and 6.3 hereof shall not apply to ownership by Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term “publicly held corporation” refers to a corporation which has outstanding securities that have been registered under the federal Securities Exchange Act of 1934.

6.5. Personal Covenants. At the request of Franchisor, Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 6 (including covenants applicable upon the termination of a person’s relationship with Developer) from all managers and other personnel employed by Developer who have received or will receive training and/or other confidential information, or who are or may be involved in the operation or development of the Franchised Locations. Every covenant required by this Article 6 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

6.6. Covenants as Independent Clauses. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 6 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article 6.

6.7. Covenants Survive Claims. Developer expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 6. Developer agrees to pay all costs and expenses (including ~~reasonable~~ attorneys’ fees) incurred by Franchisor in connection with the enforcement of this Section 8.

6.8. Compliance with Laws. Developer represents and warrants to Franchisor that neither Developer (including, without limitation, any and all of its Principals, employees, directors, officers and other representatives) nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

6.9. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 6 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and ~~reasonable~~ attorneys’ fees incurred by Franchisor in obtaining, without the posting of any bond, an *ex parte* or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

7. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

7.1. Independent Contractor. The parties acknowledge and agree that you are operating the business contemplated under this Agreement as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, joint employer, or agency relationship between the parties. Neither party has any fiduciary obligations to the other or will be liable for the debts or obligations of the other. Neither party has the right to bind the other, transact business in the other party’s name or in any manner make any promises or representations on behalf of the other party, unless otherwise agreed in writing by the parties. or shall conspicuously identify yourself and the business contemplated

8. TRANSFER OF INTEREST

8.1. Transfer by Franchisor. Franchisor shall have the uninhibited right to transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity without Developer's consent or prior notice. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Proprietary Marks, Copyrighted Works or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands, or damages arising from or relating to the loss of Franchisor's name, the Proprietary Marks (or any variation thereof), Copyrighted Works, and System and/or the loss of association with or identification of SNAPOLOGY, LLC as the franchisor under this Agreement. You specifically waive any and all other claims, demands, or damages arising from or related to the foregoing merger, acquisition, and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract, or breach of the implied covenant of good faith and fair dealing. You agree that Franchisor has the right, now or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Snapology businesses operating under the Proprietary Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to any Snapology business developed under this Agreement).

8.2. Transfer by Individual Developer to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor's standard form of assignment and assumption agreement if: **(a)** the Business Entity is formed solely for purposes of continuing your development rights and obligations; **(b)** you provide to Franchisor a copy of the Business Entity's formation and governing documents (including disclosure of all owners of such entity) and a certificate of good standing from the jurisdiction under which the Business Entity was formed; **(c)** you sign a general release in favor of Franchisor and in the form Franchisor requires; **(d)** you pay to Franchisor a \$3,500 administrative fee; and **(e)** you and all other Owners sign an Undertaking and Guaranty in the form of Attachment D.

8.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more third parties, if: **(a)** you have provided to Franchisor advance notice of the transfer and have obtained our prior written consent, which shall not be unreasonably withheld; **(b)** Attachment C to this Agreement has been amended to reflect the new ownership; **(c)** each new Owner has signed a Undertaking and Guaranty in the form of Attachment D; **(d)** each previous and/or new Owner has signed a general release in favor of Franchisor and in the form Franchisor requires, **(d)** you pay to Franchisor a \$3,500 administrative fee; and **(e)** you must be in compliance with the Development Agreement. Transfers under this Section 8.3. are limited to once per rolling 12-month period; otherwise, transfers under this Section 8.3. shall be subject to an administrative fee of 25% of the then-current initial franchise fee. For purposes of this Section 8.3 only, "Non-Controlling Interest" shall mean 20% or less of the total outstanding units or assets in the Franchised Business.

8.4. Transfer of Agreement; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement and the sale of a Controlling Interest in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to a transfer, but may condition its consent on satisfaction of any or all of the following:

8.4.1. Your written request for consent and delivery of a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor has determined, in its sole ~~and reasonable~~ discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of any Franchised Business in operation at the time of transfer.

8.4.2. The transferee has demonstrated to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate each Franchised Business; and has sufficient equity capital to operate each Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of each Franchised Business);

8.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

8.4.4. You and each Owner has executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, managers, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising;

8.4.5. Payment of the transfer fee equal to \$25,000 plus \$1,500 for each Unit yet to be developed;

8.4.6. You and the transferee have executed a consent to transfer of this Agreement in the form prescribed by Franchisor;

8.4.7. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Undertaking and Guaranty;

8.4.8. The transferee has have complied with Franchisor's then-current initial training requirements for the operation of each then-existing Unit;

8.4.9. The transferee signs our then-current form of the Development Agreement for the remaining term of your Development Agreement; and

8.4.10. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

~~8.5. Transfer to Business Entity. Notwithstanding Section 8.4 of this Agreement, you may, with Franchisor's prior written consent, execute and contemporaneously assign your rights and obligations under this Development Agreement to a business entity under common control with you if: (a) such business entity executes and complies with the terms and conditions of the Franchise Agreement; and (b) you pay Franchisor an administrative fee in the amount of \$3,500.~~

8.5. Reserved.

8.6. Transfers Void. Developer understands and acknowledges that Franchisor has granted the rights hereunder in reliance on the business skill, financial capacity, and personal character of Developer or the Owners of Developer if Developer is not an individual. Accordingly, neither Developer nor any Owner shall sell, assign, transfer, pledge or otherwise encumber any direct or indirect interest in the Developer (including any direct or indirect interest in a corporate or partnership Developer), the rights or obligations of Developer under this Agreement, or any material asset of the Developer's business, without the prior written consent of Franchisor, which shall be subject to this Article 8, and to all of the conditions and requirements for transfers set forth in the franchise agreements executed simultaneously with this Agreement that Franchisor deems applicable to a proposed transfer under this Agreement. In addition,

Developer's first Unit under its first Franchise Agreement must be open and operating, and Developer must be in compliance with the Development Schedule (and all other terms of this Agreement and all Franchise Agreements and other agreements between Area Development and its affiliates, and Franchisor). Any purported transfer under this Article 8, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement, which shall provide Franchisor the right to terminate the agreement without an opportunity to cure.

8.7. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in this Agreement or the franchise without Franchisor's consent.

8.8. Private or Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a private or public offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 8.4 and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the ~~reasonable~~actual costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

8.9. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of the Developer or any Owner, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as an *inter vivos* transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 8, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 9.3.

8.10. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

9. DEFAULT AND TERMINATION

9.1. Automatic Termination In the Event of Bankruptcy or Insolvency. You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or

11.4. Venue. With respect to any controversies, disputes, or claims which are not finally resolved through mediation or arbitration, as provided in Sections 11.2 and 11.3., the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought and maintained exclusively and within the state and federal judicial district court serving the district in which we maintain our principal headquarters at the time litigation is initiated or Tarrant County, Texas (if there is a dispute), and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Nothing contained in this Agreement bars Franchisor's right to seek injunctive relief from any court of competent jurisdiction; and you agree to pay all costs and ~~reasonable~~ attorneys' fees incurred by Franchisor in obtaining such relief.

11.5. Nonexclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

11.6. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

11.7. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

11.8. Limitation to Bring a Claim. Any and all claims and actions arising out of or relating to this Agreement and/or the relationship of Developer and Franchisor, brought by either party hereto against the other, whether in mediation, in arbitration or in court, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be forever barred.

11.9. Attorneys' Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its ~~reasonable~~ attorneys' fees and costs of suit.

11.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

12. NOTICES

12.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; by Docusign or other electronic signature or delivery system; or by or by facsimile or other electronic system. Service shall be deemed conclusively made: **(a)** at the time of service, if personally served; **(b)** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; **(c)** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; **(d)** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and **(e)** at the time of transmission by facsimile, if such transmission occurs prior to 5:00 p.m. on a Business Day and a copy of such notice is mailed within 24 hours after the transmission. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

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DEVELOPMENT AGREEMENT**

**ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS**

“**Affiliate**” means any entity that is wholly or partly owned by another entity, that shares common ownership with another entity, or that has an ownership interest in another entity.

“**Affiliate Brand**” means a franchise that is franchised by Franchisor’s Affiliate, which may include but is not limited to Urban Air Adventure Park, The Little Gym, Premier Martial Arts, Class 101, [Sylvan](#), and XP League.

“**Business Entity**” means a corporation, limited liability company, limited partnership, or other entity created pursuant to statutory authority.

“**Classroom**” or “**Snapology Classroom**” Refers to and means a Snapology franchised business that is developed and operated within the premises of a franchised Affiliate Brand. If at the time of signing this Agreement, Franchisee elects to establish and operate a Classroom with an Affiliate Brand, it may be identified on the Summary Page or [Attachment B](#). A Classroom must be constructed and improved in accordance with Franchisor’s standards and specifications and must be exclusively devoted to the operations of the Franchised Business. A Classroom must be open daily, on a full-time basis, in accordance with Franchisor’s standards and specifications. Snapology Classroom may offer and provide Services on a mobile basis at Third Party Sites in the Protected Area.

“**Competitive Business**” means any business that provides curriculum-based courses, events, classes, and experiences using building toys, robotics, animation, coding, games, and engineering techniques, services, and products.

“**Confidential Information**” means all information, knowledge, elements, trade secrets, and know-how utilized or embraced by the System, or which otherwise concerns Franchisor’s systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software; including, but not limited to: the Standards and all elements of the System and all products, services, equipment, technologies, policies, standards, requirements, criteria, and procedures which now or in the future are a part of the System; all information contained in the Manual, including supplements to the Manual; Franchisor’s standards and specifications for product preparation, packaging, and service; all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or by you in the offer and sale of products and/or services at or from the Franchised Business premises; all pricing paradigms established by Franchisor or by you; all of Franchisor’s and/or your sources, or prospective sources, of supply and all information pertaining to same, including wholesale pricing structures, the contents of sourcing agreements, and the identity of vendors and suppliers; Franchisor’s specifications, and your final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Franchised Business premises; the identify of, and all information relating to, the computer and POS hardware and software utilized by Franchisor and you; all information and data pertaining to Franchisor’s and/or your advertising, marketing, promotion, and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by your Franchised Business; all internet/web protocols, procedures, and content related to the System and your Franchised Business; Franchisor’s training and other instructional programs and materials; all elements of Franchisor’s recommended staffing, staff training, and staff certification policies and procedures; all communications between you and Franchisor, including the financial and other reports you are required to submit to Franchisor under this Agreement; additions to, deletions from, and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor

employs now or in the future; all other knowledge, trade secrets, or know-how concerning the methods of operation of your Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of operation under the terms of the Franchise Agreement; and all other information, knowledge, and know-how which either Franchisor or its Affiliates, now or in the future, designate as “Confidential Information.”

“**Controlling Interest**” means: (a) if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively (i) directly or indirectly own ~~at least 50%~~ more than 20% of the shares of each class of the developer entity’s issued and outstanding capital stock or membership units, as applicable; and (ii) are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or (b) if you are a partnership, that the Owners (i) own ~~at least 51%~~ more than 20% interest in the operating profits and operating losses of the partnership as well as ~~at least 51%~~ more than 20% ownership interest in the partnership (and ~~at least 51%~~ more than 20% interest in the shares of each class of capital stock of any corporate general partner); and (ii) are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

“**Copyrighted Works**” means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Proprietary Marks, Franchisor’s product packaging and advertising and promotional materials, and the content and design of Franchisor’s Web site and advertising and promotional materials.

“**Development Area Name**,” as defined on the Summary Page, shall mean the general identifying name for the Developer’s Development Area, and does not endow any greater area than the Development Area map identified in Attachment B.

“**Development Period**” means each of the time periods indicated on Attachment B during which you shall have the right and obligation to construct, equip, open and thereafter continue to operate Snapology businesses.

“**Discovery Center**” or “**Snapology Discover Center**” Refers to and means a Snapology franchised business that is developed and operated as a leased retail store or commercial business facility and/or owned by Franchisee that is located within Franchisee’s Protected Area (as defined in the respective franchise agreement) at a location selected by Franchisee and approved by Franchisor in writing. A Discovery Center must be constructed and improved in accordance with Franchisor’s standards and specifications and must be exclusively devoted to the operations of the Franchised Business.

“**Force Majeure**” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which you could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with you by any lender, landlord, or other person shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Your financial inability to perform or your insolvency shall not be an event of Force Majeure under this Agreement.

“**Franchise Agreement**” means the form of agreement prescribed by Franchisor and used to grant to you the right to own and operate a single Snapology business, including all attachments, exhibits, riders, guarantees or other related instruments, all as amended from time to time. A current form of Franchise Agreement is attached to the current franchise disclosure document, which shall be used for the first Unit.

**SNAPOLOGY®
DEVELOPMENT AGREEMENT**

**ATTACHMENT B
DEVELOPMENT SCHEDULE AND DEVELOPMENT AREA**

Section 1.1.1.: The “Development Area” includes the following zip codes in the attached map: _____; if there is a conflict between the zip codes and the map below, the boundaries of the map control:

[MAP]

Section 1.1.1.: For Snapology Discovery Centers and Snapology Classrooms to be located in ~~Urban Air Adventure Parks~~ an Affiliate Brand that are already open, the “Development Schedule” is as follows:

Unit Number	Franchise Agreement Execution Date	Deadline to Execute Lease	Projected Opening Date	Cumulative Number of Units to be Open and Operating by Developer in the Development Area
1	Concurrently with this Development Agreement	Six (6) months from the Effective Date	Six (6) months from the lease agreement effective date of Unit #1	1
2	12 months from the Effective Date of the Development Agreement	Six (6) months from the Franchise Agreement Execution Date for Unit #2	Six (6) months from the lease agreement effective date of Unit #2	2
3	24 months from the Effective Date of the Development Agreement	Six (6) months from the Franchise Agreement Execution Date for Unit #3	Six (6) months from the lease agreement effective date of Unit #3	3

For Snapology Classrooms to be co-branded where the premises is under construction, the Development Schedule shall be the same as the development schedule in the corresponding co-branded franchise’s development agreement. For purposes of clarity, such development schedule is:

[Development Schedule from the co-branded franchise’s development agreement]

For the purposes of determining compliance with this Development Schedule, only the Units the Developer actually opens and continuously operates in the Development Area for at least the first six (6) months after opening will be counted toward the number of Units required to be open and operated above.

[SIGNATURE PAGE FOLLOWS.]

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	May 3, 2023 Pending
Illinois	June 22, 2023 Pending
Indiana	May 1, 2023 2024
<u>Maryland</u>	Pending
Michigan	April 28, 2023 May 1, 2024
Minnesota	July 3, 2023 Pending
New York	May 30, 2023 Pending
North Dakota	June 22, 2023 Pending
Rhode Island	May 31, 2023 Pending
South Dakota	May 12, 2023 Pending
Virginia	May 8, 2023 Pending
<u>Washington</u>	Pending
Wisconsin	May 1, 2024 2023

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.

RECEIPT

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

If Snapology, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable law.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If we do 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, D.C. 20580 and the appropriate state regulatory agency listed in Exhibit A. We authorize the respective state agencies identified in Exhibit B to receive service of process for us in the particular state.

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

Name	Principal Business Address	Telephone Number
Joshua Wall	2350 Airport Freeway, Suite 505, Bedford, TX 76022	817.241.5831

Issuance Date: April ~~28, 30, 2024~~2023.

I received a disclosure document dated April ~~28, 30, 2024~~2023 (or the date reflected on the State Effective Dates Page), that included the following Exhibits:

A. State Specific Addenda to the Disclosure Document	G. Franchise Disclosure Questionnaire
B. List of State Agencies and Agents for Service of Process	H. Sample Form of General Release
C. Operations Manual Table of Contents	I. Development Agreement Attachments, and State Specific Amendments
D. Financial Statements	J. Sample Form of Assignment and Assumption Agreement
E. Franchise Agreement, Attachments, and State-Specific Amendments	K. State Effective Dates
F. List of Current and Former Franchisees	L. Receipts

Print Name

Signature

Date

If signing on behalf of a company in addition to individually, please complete the following:

Company Name

Authorized Signatory

Signature

Date

Please sign this copy of the receipt, date your signature, and return it to Snapology, LLC, 2350 Airport Freeway, Suite 505, Bedford, TX 76022.

RECEIPT

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

If Snapology, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable law.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If we do 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, D.C. 20580 and the appropriate state regulatory agency listed in Exhibit A. We authorize the respective state agencies identified in Exhibit B to receive service of process for us in the particular state.

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

Name	Principal Business Address	Telephone Number
Joshua Wall	2350 Airport Freeway, Suite 505, Bedford, TX 76022	817.241.5831

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Print Name

Signature

Date

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Company Name

Authorized Signatory

Signature

Date

Keep this copy for your records.