

FRANCHISE DISCLOSURE DOCUMENT

ESCAPOLOGY, LLC
A FLORIDA limited liability company
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You will operate a live escape game business offering high quality live escape game experiences using the trademark “Escapology.”

The total investment necessary to begin operation of an Escapology franchise ranges from ~~\$317,667,362,167~~ to ~~\$1,933,2,008,500~~. This includes \$45,000 to \$50,000 that must be paid to the franchisor or an affiliate.

The total investment necessary to begin the operation of an Escapology multi-unit development business ranges from ~~\$362,667,407,167~~ to ~~\$2,403,213,500~~, for the required minimum of 3 and a maximum of 8 Escapology outlets to be developed. This includes the \$90,000 to ~~\$220,255,000~~ that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Escapology, LLC – Lloyd Notley at 11951 International Drive, Unit 2A1, Orlando, Florida 32821; (407) 952-8275.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise”, which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC, 20580. You can also visit the FTC’s home page at www.ftc.gov 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 22, 2024

Tobmar Newstands Inc. which has operated in Canada since the 1990's. None of our management, including those of our parent company, have management roles in Gateway Market Canada, Inc.

The Franchise Offered:

We offer franchises for the right to independently establish and operate live escape rooms under the Escapology Marks and using our distinctive operating procedures and standards in a designated area (the "Franchised Business"). Escapology facilities are located in storefronts, and other locations that are appropriate to Escapology's brand. The franchise being offered by this FDD is for the opening of stand-alone Escapology facility or as an addition within a family entertainment center or other existing entertainment facility such as a casino or theme park. A grant of an Escapology franchise authorizes you to operate an Escapology facility at a specific location and to use the Escapology System in the operation of that Live Escape Game business. The distinguishing characteristics of the Franchised Business include, but are not limited to, our distinctive and uniform trade dress standards, operations procedures, service methods, and methods for management, training, and marketing, all of which may be changed, improved or further developed by us at any time (the "System").

We also offer qualified individuals the right to open a minimum of three (3) Escapology outlets in a designated area under the terms of a multi-unit development agreement. You must sign the then-current form of franchise agreement for each Franchised Business to be developed under the multi-unit development agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

Market and Competition:

The market for an Escapology business is composed of private consumers who like to overcome challenges in a live escape room context within set time limits. Escape rooms are also booked by commercial customers for team building, corporate entertainment and HR assessment.

This market for escape rooms is fairly recent (several years) and is still developing. You will compete with other providers of live escape rooms. The general market is not seasonal, and experiences are in demand year-round.

Industry Specific Regulations:

Live Escape Games are subject to various laws and regulations that apply to businesses generally, including public health and safety codes and ordinances. These include regulations concerning smoking, sanitation, discrimination, employment and sexual harassment laws as well as the Americans with Disabilities Act, which requires readily accessible accommodations for disabled individuals and may affect your operations. It is your responsibility to comply with these laws. You should consult with your own advisors and the government agencies in your state for information on how these laws apply to you. Among the laws and regulations that apply to businesses generally, you must comply with the Patient Protection and Affordable Care Act, 42 USC 18001.

ITEM 2: BUSINESS EXPERIENCE

President and Director (Escape Holdings, LLC): Christopher Gessner

ITEM 3: LITIGATION

In the Matter of the Commissioner of Financial Protection and Innovation v. Escapology, LLC, (State of California Department of Financial Protection and Innovation). On January 19, 2023, without hearing or final adjudication of any issue of fact, we voluntarily entered into a Consent Order with the Commissioner of the California Department of Financial Protection and Innovation (the “Commissioner”) to resolve the Commissioner’s claims that we violated the California Franchise Investment Law by (1) failing to disclose the material facts related to two negotiated sales withing California; (2) offering and selling when our Disclosure Document omitted to state that the we had sold franchises with different material terms in negotiated sales on 2 occasions; and (3) failing to provide maintain disclosure records for past sales. Under the Consent Order, we agreed to comply with the California Franchise Investment Law and to pay a penalty of \$12,500.

No other litigations are pending or 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

We will charge you an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement. The Initial Franchise Fee is Forty-Five Thousand Dollars(\$45,000.00). This payment is fully earned by us and due in a lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

We will charge you a development fee (“Development Fee”) when you sign the Multi-Unit Development Agreement. The Development Fee is an amount equal to Fifteen Thousand Dollars (\$15,000.00) for a minimum of three (3) Escapology outlets you develop under the Multi-Unit Development Agreement. An additional Ten Thousand Dollars (\$10,000.00) shall be incurred for each Escapology outlet after the minimum amount up to eight (8) Escapology outlets you may develop. This payment is fully earned by us and due in a lump sum when you sign the Development Agreement. The Development Fee is not refundable under any circumstance. In addition to the Development Fee, you will be responsible for paying the Initial Franchise Fee equal to Twenty-Five Thousand Dollars (\$25,000.00) for each Unit you agree to open under your Multi-Unit Development Agreement. The total Initial Franchises Fees for each option is listed below:

| Number of Outlets | Total Initial Franchise Fees |
|-------------------|------------------------------|
| 3 | \$75,000 |
| 4 | \$100,000 |
| 5 | \$125,000 |
| 6 | \$150,000 |
| 7 | \$175,000 |
| 8 | \$200,000 |

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

Your Estimated Initial Investment (Multi-Unit)

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment is Made |
|--|------------------------|---------------------------------|---|--|
| Development Fee ¹ | \$15,000 to \$50,000 | Lump sum payment by wire or ACH | Upon signing the Multi-Unit Development Agreement. | Us |
| Initial Franchise Fee ¹ | \$75,000 to \$200,000 | Lump sum payment by wire or ACH | Upon signing each Franchise Agreement under the Multi-Development Agreement | Us |
| Additional Game Fee ² | \$0 to \$5,000 | Lump Sum | Upon signing the Franchise Agreement | Us |
| Initial Training Expenses ³ | \$1,000 to \$9,500 | As incurred | Before Opening | Suppliers of transportation, lodging & meals |
| Grand Opening Advertising ⁴ | \$5,000 to \$15,000 | As incurred | Before opening | Suppliers |
| Real Estate Rent ⁵ | \$4,667 to \$70,000 | As incurred | Upon signing lease | Landlord, real estate brokers |
| Utilities | \$1,500 to \$8,000 | As required | As required | Suppliers, Providers, |
| Utility Deposits ⁶ | \$1,000 to \$3,000 | As incurred | Before Opening | Suppliers, Providers |
| Leasehold Improvements ⁷ | \$50,000 to \$750,000 | As incurred | Before Opening | Vendors |
| Game Installation | \$150,000 to \$750,000 | As incurred | Before Opening | Vendors |
| Permits, Licenses ⁸ | \$7,000 to \$30,000 | As Incurred | Before opening | Suppliers, Providers, |
| Professional Fees ⁹ | \$5,000 to \$30,000 | As incurred | As incurred | Suppliers, Providers, |
| Signage ¹⁰ | \$7,500 to \$35,000 | As incurred | Before opening | Suppliers |
| Furniture, Fixtures, Equipment ¹¹ | \$30,000 to \$150,000 | As incurred | Before opening | Suppliers |
| Office Equipment and Supplies ¹² | \$1,000 to \$5,000 | As incurred | Before opening | Suppliers |
| Dues and Subscriptions ¹³ | \$1,000 to \$3,000 | As incurred | As incurred | Suppliers |
| Insurance ¹⁴ | \$8,000 to \$25,000 | As incurred | Before Opening | Suppliers, Providers, |

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment is Made |
|--|----------------------|-------------------|--|---------------------------------------|
| Operating Expenses/Additional Funds – 3 months ¹⁵ | \$44,500 to \$75,000 | As incurred | Weekly payroll, other purchases according to agreed-upon terms | Employees, utilities, suppliers, etc. |
| TOTALS: \$362,667407,167 - \$2,103213,500 | | | | |

¹ Please see Item 5 for information on incentive programs that may offer a discount on the Initial Franchise Fee. The amount stated in the Single Unit Table is for one outlet operated pursuant to a single Franchise Agreement. If you sign the Multi-Unit Development Agreement, you will pay a Development Fee based upon the number of Escapology outlets you agree to develop. The amount stated in the Multi-Unit Table assumes you will develop the minimum of three (3) and a maximum of eight (8) Escapology outlets. Along with paying the Development Fee under our Multi-Unit Development Agreement, you will be responsible for paying an initial franchise fee for each unit you sign for.

² From time to time we will request you to add additional games to your Franchised Business before opening as more fully described in Item 5. You may be required to pay additional initial and ongoing fees to install and present additional Games at your Escapology facility. You will be required to pay the Additional Game Fee at the same time as your initial franchise fee. The Additional Game Fee is fully earned by us when paid and is not refundable. The high value represents the cost for a single Additional Game however we may require more than one game and you may request additional games as well.

³ The chart estimates the costs for transportation, lodging, and meals for our team. These incidental costs are not included in the initial franchise fee. Your initial franchise fee payment entitles you to training for your manager and up to two (2) additional people prior to the opening of your facility, and this estimate assumes you will not send more than 3 individuals to training in Orlando. We anticipate that the training program will be for five (5) days, with an average of eight (8) hours of instruction per day. In addition, we will provide an Escapology Game Master to help with installation and setup for up to five (5) days at your own Escapology facility. Your costs will depend on the number of people, their point of origin, method of travel, and living expenses. The duration of the training program is approximately one week. This estimate does not include employee wages. You must pay all reasonable expenses, including travel costs, lodging, per diem and other costs, incurred by the Escapology Game Master for assisting with installation and setup.

⁴ This figure estimates the amounts that you will spend on marketing and promotions upon opening your business. As at the date this Disclosure Document was issued, you must spend at least \$5,000 on grand opening advertising during the first three (3) months you operate your Escapology facility. You may choose to spend more. Factors that may affect the actual amount you spend include the type of media used, the size of the area you advertise to, local media cost, location of your Escapology facility, time of year and customer demographics in the surrounding area. At least thirty (30) days prior to the projected opening date you must provide us with a grand opening proposal and proposed costs. Within six (6) months of the opening date of your Escapology facility you must provide us with a report of your grand opening expenditures.

⁵ You must lease or otherwise provide a suitable facility for the operation of your Escapology facility. Each Escapology game room is approximately two hundred forty (240) square feet. Typically, an Escapology facility with five (5) to eight (8) Games will range in size from 2,800 to

5,000 square feet. It is difficult to estimate rental costs, which may vary based upon square footage, cost per square foot and required maintenance costs. The estimated cost range includes the costs of renting the facility for one (1) month and your costs to enter into a lease agreement including the first month's rent and a security deposit equal to one month's rent. Estimated rental costs for an additional two (2) months are included under the category "Additional Funds.". We cannot estimate the cost to purchase a suitable facility.

⁶ Utility providers set the amounts of the utility deposits. A credit check may be required by the issuing utility company prior to the initiation of services, or a higher deposit required for first time customers. These costs will vary depending on the type of services required for the facility and the municipality or utility provider from which they are being contracted. We have based our estimate on the experiences of our affiliate. The figures in the chart include deposits that may be refundable to you at a later time. In most cases, your lease will require you to pay electric, gas, water, and other utilities directly; however, some landlords cover some utility charges through operating fees.

⁷ You will need to convert an existing facility into an Escapology facility, or you will construct improvements to, or "build out", the premises at which you will operate your Escapology facility. You must perform the conversion, construction and/or build-out in accordance with our standards and specifications. These improvements may include, for example, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, millwork, and décor items. Costs are likely to vary depending upon the size, location, configuration, installation costs, and overall condition of the premises, and may be much higher if you already have or wish to establish your Escapology facility in an area where special requirements of any kind (e.g., historical, architectural, or preservation requirements) will apply.

⁸ This is an estimate of the costs of building permits, sign permits and a certificate of occupancy for your premises. Not all locations will require all of these permits, depending on the prior use of the premises and the requirements of local ordinances. This estimate also includes the cost of a local business license. The costs of permits and licenses will vary by location. We cannot estimate the cost of this license because requirements and fees vary widely. Please contact your local governing agency for this information.

⁹ You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity and/or obtaining zoning approval. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location. ~~We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement.~~ It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your franchise.

¹⁰ This range includes the cost of all signage used in your Escapology facility. The signage requirements and costs may vary based upon the size and location of your Escapology facility, local zoning requirements, landlord requirements and local wage rates for installation, among other things.

¹¹ This item includes all furniture's, fixtures, equipment, cash register, camera system, audio & visual equipment and décor needed to open and operate an Escapology outlet. You are required to furnish your Franchised Business in accordance with our specifications and standards, as well as the needs of your outlet and personnel. In addition to meeting our specifications for signage, you must comply with the local ordinances and restrictive covenants applicable to your Franchised

Business.

¹² You must purchase general office supplies including stationery, business cards and typical office equipment. This estimate includes your costs to purchase a personal computer system (if you do not already have one), the point-of-sale system and online game booking software described in Item 11 below. Factors that may affect your cost of office equipment and supplies include local market conditions and competition among suppliers, among other things.

¹³ You may have to purchase subscriptions to be a member of local trade or tourism organizations.

¹⁴ Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify and must name us and our respective officers, directors, partners, agents and employees as additional insured parties. Insurance costs and requirements may vary widely in different localities. The estimate represents the cost of the semi-annual premium of the required minimum coverage.

¹⁵ This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three months after commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. This estimate includes such items as rent, utilities, internet service, initial payroll and payroll taxes, software fees, technology fees, local advertising expenses, repairs and maintenance, bank charges, initial staff recruiting expenses, and other miscellaneous items. These estimates do not include any compensation to you, nor do they include debt service. These items are by no means all-inclusive of the extent of possible expenses.

We relied upon the experience of our affiliate-owned Escapology outlets to compile these estimates. ~~You should review these figures carefully with a business advisor before making any decision to invest in the franchise.~~ These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. We estimate that a franchisee can expect to put additional cash into the business during at least the first three to six months, and sometimes longer.

We do not offer financing for any part of the initial investment.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of equipment, inventory, and services that your Franchised Business must use or provide which meets our standards and requirements. You must purchase all equipment, fixtures, inventory, supplies and services from our designated suppliers and contractors or in accordance with our specifications.

Our affiliate is one of the approved suppliers of props and other tangible personal property used in Live Escape Games to the Escapology system. In our last fiscal year ending on December 31, 2023, our affiliate's total revenues was \$1,314,000, of which \$1,314,000 (or 100%) were from the sale of such items to our franchisees was \$1,314,000.

We approve suppliers after careful review of the quality of the products they provide to us and you. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other

information that we may require. If the item and/or supplier meet our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. Although the industry is rather new, we will review any alternate items or suppliers by comparing them to the current products and services standards we have with established with our currently approved suppliers. We will make a good-faith effort to notify you whether we approve or disapprove of the proposed item or supplier within 30 days after we receive all required information to evaluate the product or service. If we do not approve any request within 90 days, it is deemed unapproved. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. Along with your written request that we approve a proposed item or supplier, you must pay an evaluation fee equal to our costs to evaluate the proposed item or supplier, this includes but is not limited to our costs for time, testing and travel if required.

We maintain written lists of approved items of equipment, fixtures, inventory and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We update these lists periodically and issue the updated lists to all franchisees.

For the first three (3) years of your operation of an Escapology franchise, you are under no obligation to purchase and operate additional Live Escape Games beyond the eight (8) included as part of the initial franchise fee. If you choose to purchase any additional Live Escape Games, you must purchase them from us. We are the only approved supplier of Live Escape Games to the Escapology system. When you install a new Game in your Escapology Facility, you must pay us \$5,000 per game. During our last fiscal year, our ~~revenues~~ total revenue was \$4,844,728, of which, \$31,750 (or 0.6%) were from licensing new Games to franchisees as of December 31, 2023, were \$31,750.

We reserve the right to sell proprietary products to franchisees, or to suppliers for resale to Escapology franchisees, and to receive revenue from these sales. We also have the right to receive revenues or rebates from suppliers on account of other purchases or leases by franchisees. During our fiscal year ended December 31, 2023, we had a total revenue of \$4,032,993 of which \$0 (or 0%) was from rebates from third party suppliers received by our franchisees.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 85% of your costs to establish your Franchised Business and approximately 25% of your costs for ongoing operation.

During 2023, we received \$906,885 in revenue from franchisees for our provision of internet and social media marketing services, and we incurred \$769,607 in costs in providing those marketing services.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

From time to time, we may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees. As of the date of this Disclosure Document, we have not created any purchasing arrangements with suppliers.

You are required to contribute to the Innovation Fund two percent (2%) of weekly Gross Sales, generated by your Franchised Business. Your Innovation Fund contribution is collected at the same time and in the same manner as your Royalty. Each Escapology outlet operated by our affiliate or us may contribute to the Innovation Fund, in our discretion, but has no obligation to do so.

The Innovation Fund has been established to support innovations within our escape rooms, brand, and related elements to enhance competitiveness. This includes but is not limited to the development of new game designs, prototyping new games, and acquiring new licensed titles.

Funds from the Innovation Fund will be allocated towards projects and initiatives aimed at enhancing the franchise system's competitiveness. This may include research and development, testing new concepts, acquiring intellectual property rights, and other related activities deemed appropriate by the franchisor.

The franchisor, in consultation with relevant stakeholders, will make decisions regarding the allocation of funds from the Innovation Fund. Franchisees may submit proposals for consideration, and decisions will be made based on factors such as feasibility, potential impact, and alignment with the franchise system's strategic objectives. The Innovation Fund is administered by us. We may use Innovation Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Innovation Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Innovation Fund contributions to pay our costs (including salaries of our personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Innovation Fund.

While there will not be specific updates or audits of the Innovation Fund, the franchisor will provide regular updates on all corporate projects, including those supported by the Innovation Fund. Outside the regular updates provided, the Franchisee cannot request accounting of this Innovation Fund.

The Innovation Fund will not be used to defray any of our other general operating expenses. Innovation Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include "Franchises Available" or similar language and contact information in advertising produced with Innovation Fund contributions.

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

We have no obligation to make expenditures that are equivalent or proportionate to your Innovation Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Innovation Fund.

During the fiscal year ended December 31, 2023, we expended Innovation Fund Contributions as follows: 100% Research and Development of brand and game enhancements. Although the Innovation Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Innovation Fund, however, until all monies in the Innovation Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

rights (collectively called the “Confidential Information”). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all Confidential Information and trade secrets will remain our exclusive property. You may never (during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated) reveal any of our Confidential Information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination.

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

We reserve the right to modify or discontinue using the subject matter covered by a patent or copyright. In such event, we may require you, at your expense, to modify or discontinue using the subject matter in the operation of your Franchised Business.

ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires you to employ a manager to provide full time supervision of your Escapology facility. You may appoint a dedicated and competent manager who has completed our training program to our satisfaction to manage the day-to-day operations of your Escapology facility. If this manager is replaced at any time, the new manager will be required to complete our training program and you will be expected to pay our then current fee for the training program. Your manager need not be the franchisee or an owner of the franchisee, if the franchisee is an entity. We may require your manager to sign a confidentiality agreement and, if permitted by state law where your Escapology Facility is located, a covenant not to compete forbidding work in any other business that offers any Live Escape Game experiences in your franchise territory for a period of eighteen (18) months after termination of employment or of the franchise. Each individual owning twenty percent (20%) or more of the ownership interests of a franchisee that is an entity must sign a guaranty assuming and agreeing to discharge all obligations of the “Franchisee” signing the Franchise Agreement.

If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a “Principal”. If you are a married individual, your spouse must sign our Personal Guaranty, which is attached to our Franchise Agreement as Attachment 7.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You must offer and sell all products and services that are part of the System, and all services and products which we incorporate into the System in the future. You may only offer products and services that we have previously approved. You may only engage in providing products and services to end-consumers.

You may not use our Principal Marks or other trademarks for any other business, and you may not conduct any other business from your Franchised Business location. You cannot engage in any other business that competes with your Franchised Business, with us or our affiliates, or with Escapology outlets owned by other franchisees, whether such business is inside or outside of the Territory.

| | | | |
|-----------------------|-----------|-------------|----------|
| \$500,001 - \$600,000 | 4 | 11% | 5 |
| \$400,001 - \$500,000 | 4 | 11% | 5 |
| \$300,001 - \$400,000 | 4 | 11% | 4 |
| Less than \$300,000 | 4 | 11% | 4 |
| Total | 37 | 100% | 6 |

Average Gross Sales were \$694,864 for the twelve months ending December 31st, 2023, of which 15 Stores had sales above this average and 22 stores had sales below this average. The median sales for these 37 stores were \$680,634 for the twelve months ending December 31st, 2023.

| |
|---|
| Family Entertainment Center Franchised Units (FEC) |
|---|

| | | | |
|---|-------------------------|---|--------------------------------|
| Statement of Gross Sales | | | |
| Family Entertainment Center Franchised Units | | | |
| Year 2023 Gross Sales as Reported to the Company | | | |
| (9 mature stores with more than 12 months in operation) | | | |
| Gross Sales | Number of Stores | Percentage of Stores at each level | Average # of Game Rooms |
| Over \$500,000 | 2 | 22% | 6 |
| \$400,001 - \$500,000 | 0 | n/a | n/a |
| \$300,001 - \$400,000 | 1 | 11% | 5 |
| \$200,001 - \$300,000 | 2 | 22% | 5 |
| \$150,001 - \$200,000 | 3 | 33% | 3 |
| Less than \$150,000 | 1 | 11% | 3 |
| Total | 9 | 100% | 4 |

Average Gross Sales were \$306,667 for the twelve months ending December 31st, 2023, of which 3 Stores had sales above this average and 6 stores had sales below this average. The median sales for these 9 stores were \$202,756 for the twelve months ending December 31st, 2023.

The data disclosed in this Item 19 has been compiled on a cash basis and has not been audited or verified in any manner by an independent certified public accountant. The cost data for the franchises has been provided voluntarily by the franchisees and we have not independently verified its accuracy.

Profit After Core Expenses is gross sales less staffing and benefits, occupancy costs, continuing franchise fees, marketing costs, and credit card processing. To calculate earnings before interest, taxes, depreciation, and amortization (or "EBITDA), you must deduct the following costs from "Profit After Core Expenses"; per player fees for licensed games, cost of any merchandise sales, property insurance, repairs & maintenance, accounting and legal fees, and other miscellaneous office and operating expenses.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation for this Financial Performance Representation will be made available to you upon reasonable request.

Other than the preceding information, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Adam Doktor at 11951 International Drive, Suite 2A1, Orlando, Florida 32821, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2021 to 2023

| Column 1 Outlet Type | Column 2 Year | Column 3 Outlets at the Start of the Year | Column 4 Outlets at the End of the Year | Column 5 Net Change |
|--------------------------|------------------|--|---|------------------------|
| Franchised | 2021 | 40 | 40 | 0 |
| | 2022 | 40 | <u>4647</u> | <u>+67</u> |
| | 2023 | <u>4647</u> | <u>5253</u> | +6 |
| Company – Owned* | 2021 | 4 | 6 | +2 |
| | 2022 | 6 | 7 | +1 |
| | 2023 | 7 | 9 | +2 |
| Total Outlets | 2021 | 44 | 46 | +2 |
| | 2022 | 46 | <u>5254</u> | +6 |
| | 2023 | <u>5254</u> | <u>6162</u> | +8 |

| | | | | | | | | |
|----------------|-------------|-------------|-----------|----------|----------|----------|----------|-------------|
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| South Carolina | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Tennessee | 2021 | 2 | 0 | 0 | 0 | 0 | 1 | 1 |
| | 2022 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Texas | 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 1 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Utah | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Virginia | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Wisconsin | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Total | 2021 | 40 | 4 | 0 | 0 | 2 | 2 | 40 |
| | 2022 | 40 | 78 | 0 | 0 | 0 | 1 | 4647 |
| | 2023 | 4647 | 6 | 0 | 0 | 0 | 0 | 5253 |

Table No. 4
Status of Company Owned Outlets
For Years 2021 to 2023

| Col. 1 State | Col. 2 Year | Col. 3 Outlets at Start of Year | Col. 4 Outlets Opened | Col. 5 Outlets Reacquired from Franchisees | Col. 6 Outlets Closed | Col. 7 Outlets Sold to Franchisees | Col. 8 Outlets at End of the Year |
|-------------------|----------------|--|-----------------------------|--|-----------------------------|---|--|
| California | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 1 |
| Florida | 2021 | 1 | 0 | 2 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 1 | 0 | 0 | 0 | 4 |
| Nevada | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 2 |
| South Carolina | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 |

Attached to this Disclosure Document as Exhibit D are our audited financial statements as of December 31, 2021, December 31, 2022, and December 31, 2023.

Our fiscal year end is December 31.

ITEM 22: CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibit B. These include our Franchise Agreement and all attachments to it (Trademarks, Territory, ACH Authorization, Collateral Assignment of Lease, Statement of Ownership Interests in Franchisee, Internet Advertising, Social Media, Software, and Telephone Account Agreement). Our Multi-Unit Development Agreement is Included as Exhibit C. Our Franchisee Acknowledgement Statement is included as Exhibit I on Page 97.

ITEM 23: RECEIPT

A receipt in duplicate is attached to this Disclosure Document as Exhibit G. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Escapology, LLC 11951 International Drive, Suite 2A1, Orlando, Florida 32821.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND**

ITEM 12 of the Disclosure Document is amended to add the following:

- The General Release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

ITEM 17 of the Disclosure Document is amended to add the following:

- Under the Maryland Franchise Registrations and Disclosure Law, Md. Code Ann. Bus. Reg. §14-201 et seq., no general release shall be required as a condition of renewal, termination and/or transfer which is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- In the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
- The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland Franchise Regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this Maryland Franchise Regulation is legally enforceable.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

ITEM 22 of the Disclosure Document is amended to add the following:

- Exhibit F to the Disclosure Document is the form of General Release that we currently require a franchisee to sign if he or she transfers or renews the franchise, which shall not apply as a condition of renewal, sale, and/or assignment to any liability under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of

(i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

This Addendum to the Escapology, LLC Franchise Agreement is agreed to between Escapology, LLC ("Escapology") and _____ ("You") to amend said Franchise Agreement as follows:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure law, the Franchise Agreement shall be amended as follows:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland Franchise Regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this Maryland Franchise Regulation is legally enforceable.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits thereto, the terms of this Addendum shall govern.

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

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement

ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This Addendum to the Escapology, LLC Multi-Unit Development Agreement is agreed to between Escapology, LLC ("Escapology") and ("You") to amend said Multi-Unit Development Agreement as follows:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure law, the Multi-Unit Development Agreement shall be amended as follows:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

This Multi-Unit Development Agreement provides that disputes are resolved through arbitration. A Maryland Franchise Regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this Maryland Franchise Regulation is legally enforceable.

All representations requiring prospective developer to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits thereto, the terms of this Addendum shall govern.

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

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

The parties hereto have duly executed this Maryland Amendment to the Multi-Unit Development Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

ESCAPOLOGY, LLC

By:

Charles Burton Heiss , CEO
(Print Name, Title)

DEVELOPER:

By:

(Print Name, Title)

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA**

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5 which require (except in certain specified cases) (i) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

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

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

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required. Any limitations of claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

The provision of this Addendum only applies if the jurisdictional requirements of the Minnesota Franchises Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WASHINGTON

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

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

RCW 19.100.180 may supersede the multi-unit development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the multi-unit development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchises.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the multi-unit development agreement, a developer may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a developer may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a developer from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

EXHIBIT I

PLEASE DO NOT SIGN IF THE FRANCHISEE IS A MARYLAND RESIDENT OR IF THE FRANCHISED BUSINESS WILL BE LOCATED WITHIN THE STATE OF MARYLAND

ESCAPOLOGY ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Development Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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

1. Franchisee (or Developer) has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee (or Developer) further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee (or Developer) by Franchisor and Franchisee (or Developer) and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee (or Developer) may experience as a franchisee (or developer) under this Agreement.

Initial

2. Franchisee (or Developer) has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee (or Developer) and its efforts as an independent business operation.

Initial

3. Franchisee (or Developer) agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement (or Multi-Unit Development Agreement) and that it/she/he understands all the terms and conditions of the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) further acknowledges that the Franchise Agreement (or Multi-Unit Development Agreement) contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. Franchisee (or Developer) has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the

10. Franchisee (or Developer) is aware of the fact that other present or future franchisees (or developers) of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's (or Developer's) Territory by others who may have purchased such products from Franchisor.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), FRANCHISEE (OR DEVELOPER) AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S (OR DEVELOPER'S) AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE ESCAPOLOGY, LLC AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

Initial

[WASHINGTON STATE FRANCHISEES: THIS STATEMENT DOES NOT WAIVE ANY LIABILITY THE FRANCHISOR MAY HAVE UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER.} WASHINGTON FRANCHISEES SHOULD NOT SIGN THIS EXHIBIT

FRANCHISEE:

By: _____

(Print Name, Title)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

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 | PENDING |
| Illinois | PENDING |
| Indiana | PENDING <u>May 9, 2024</u> |
| Maryland | PENDING |
| Michigan | PENDING |
| Minnesota | PENDING |
| New York | PENDING |
| Virginia | PENDING <u>June 19, 2024</u> |
| Washington | PENDING <u>June 15, 2024</u> |
| Wisconsin | PENDING <u>May 4, 2024</u> |

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.