

FRANCHISE DISCLOSURE DOCUMENT

810 Franchise Concepts, LLC a South Carolina limited liability company 1220 Moser Dr., Myrtle Beach, South Carolina 29577 Telephone: (631) 258-9721

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An 810 Entertainment Franchised Business offers bowling, gaming, entertainment, and bar services.

The total investment necessary to begin operation of an 810 Entertainment Franchised Business is \$2,941,500 to \$4,967,000 This includes \$50,000 to 80,000 that must be paid to the franchisor and its affiliate(s).

The additional total investment necessary to begin operation of an 810 Entertainment Area Developer Franchise is \$2,986,500 to \$5,192,000. This includes between \$72,500 and \$212,500 that must be paid to franchisor and its affiliate(s). This includes 1 additional franchise on the low end and 5 additional franchises on the high range under the Area Development. You must open at least one additional 810 Entertainment Franchised Business under an Area Development Agreement. There is no maximum number of additional 810 Entertainment Franchised Businesses under an Area Development Agreement.

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 formats, contact Michael Siniscalchi at 1220 Moser Dr., Myrtle Beach, South Carolina 29577 and (631) 258-9721.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov 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: March 31, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or EXHIBIT I.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or EXHIBIT I includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only 810 Entertainment business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be 810 Franchise Concepts, LLC franchisee?	Item 20 or EXHIBIT I and EXHIBIT J lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

<u>Continuing responsibility to pay fees</u>. You may have to pay royalties and other fees even if you are losing money.

<u>Business model can change</u>. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

<u>Supplier restrictions</u>. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

<u>Operating restrictions</u>. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

<u>Competition from franchisor</u>. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

<u>When your franchise ends</u>. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in EXHIBIT F.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About This Franchise

Certain states require that the following risk(s) be highlighted:

- 1. <u>Out-of-State Dispute Resolution</u>. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in South Carolina. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in South Carolina than in your own state.
- 2. <u>Financial Condition</u>. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
- 3. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor.

To simplify the language in this disclosure document, "810 Franchise Concepts, LLC," "810 Entertainment," "we" or "us" means 810 Franchise Concepts, LLC the franchisor. "You" means the business entity that buys the franchise, and includes each partner, shareholder, member, or another owner of that entity. 810 Franchise Concepts, LLC is a South Carolina limited liability company formed on September 10, 2017. Our principal office is located at 1220 Moser Dr., Myrtle Beach, South Carolina 29577. Our agents for service are listed in EXHIBIT F.

Predecessors, Parents, and Affiliates.

We do not have and have not any predecessors during the 10-year period immediately before the close of our most recent fiscal year. We do not have any parents.

Our affiliate, 810 Management LLC, with the address of 1220 Moser Dr., Myrtle Beach, South Carolina 29577, is the non-exclusive supplier of sales representative services.

We do not have any parents or affiliates that offer franchises in any line of business.

Businesses like the franchises offered in this disclosure document are owned and operated by our affiliates, 810 North Myrtle Beach, LLC, 810 Conway, LLC, and 810 Market Common.

Our Other Business Activities.

We do not offer franchises in any other line of business. We do not provide any products or services to our franchisees.

Our Business and the Franchise Offered.

We do business under the name 810 Entertainment and no other names. Prior from January 2015 to January 2025 we did business and offered franchises under the 810 Blowing name. An 810 Entertainment franchised business offers bowling, gaming, entertainment, and bar services from a real property space ("Site"). We offer the franchises under the form of franchise agreement attached to this disclosure document (the "Franchise Agreement").

As an 810 Entertainment franchisee, you will use specialized business formats and systems, called the "System," which we may modify, supplement, and update. You will use certain service or trademarks and other commercial symbols referring to as the 810 Entertainment brand, products, and services, which we call the "Marks." 810 Entertainment Franchised Businesses must provide all and only 810 Entertainment products and services unless we consent in writing.

If you desire and qualify to develop multipliable 810 Entertainment Franchised Businesses, we offer the opportunity to enter into an Area Development Agreement with us (the "Area Development Agreement"). Under an Area Developer Agreement, you are granted the ability to develop multiple 810 Entertainment Franchised Businesses within a designated area (the "Development Area") in accordance with a development schedule specified in the Area Development Agreement (the "Development Schedule"). Our current form of Area Development Agreement is attached as Exhibit "A" to this Disclosure Document.

For each Franchised Business that you open under the Area Development Agreement, you must sign a then-current form of 810 Entertainment Franchise Agreement. For each future franchise, the area developer may be required to sign a form of the franchise agreement that is different from the form of the franchise agreement included in this disclosure document. If you do not open your Franchised Businesses per the Development Schedule, we may terminate the Area Development Agreement, you will lose the ability to develop other 810 Entertainment Franchised Businesses under the Area Developer Agreement, we may keep the full development fee, which you paid; however, the Franchise Agreements for the 810 Entertainment Franchised Business already opened will not be terminated, because you did not follow the Development Schedule.

We may continue to develop new products and services, but we are not obligated to do so. If we do develop new products or services, we may offer you the opportunity to provide such products or services, but we are not required to offer you such opportunity, and if we do, we may require you to take additional training, pay additional fees, sign additional agreements or meet other requirements.

You have no obligation or right, to open any additional 810 Entertainment Franchised Businesses unless you sign an Area Development Agreement.

Industry-Specific Regulations.

In addition to laws governing business generally, such as the Americans with Disabilities Act, Federal Wage, and Hour Laws, and the Occupation, Health and Safety Act, your 810 Entertainment Franchised Business will be subject to and have to comply with local ordinances and other permit and licensure requirements for restaurants and bars including a food service license, liquor and alcohol beverage permits or licenses, food handler permits and regulations.

There may also be state and local statutes, regulations, laws, licensure requirements, and ordinances specific to your state or local area. It is your responsibility to investigate and comply with all laws affecting your Franchised Business.

General Description of the Market and Competition.

The bowling, gaming, entertainment, and bar services industry is established and highly competitive. The bowling, gaming, entertainment, and bar services industry is not seasonal.

The target audience for 810 Entertainment businesses is young adults, families, middle age adults, and groups, team, and corporate events.

Prior Business Experience.

810 North Myrtle Beach, LLC, our affiliate, has operated a business like the 810 Entertainment franchises offered in this disclosure document since 2015.

810 Conway, LLC, our affiliate, has operated a business like the 810 Entertainment franchises offered in this disclosure document since 2018.

810 Market Common, our affiliate, has operated a business like the 810 Entertainment franchises offered in this disclosure document since 2018.

We have never operated the kind of business that is being offered in this franchise disclosure document. We began offering the franchises being offered in this disclosure document since February 1, 2018.

ITEM 2. BUSINESS EXPERIENCE

Michael Siniscalchi, Founder and President

Mr. Siniscalchi is and has been our Founder and President since our inception in September of 2017. In addition, Mr. Siniscalchi is and has been the Founder of our affiliates 810 NMB, LLC, 810 NMB Land, LLC, 810 Conway, LLC, 810 Conway Land, LLC and 810 Market Common, LLC since their respective inceptions in January of 2015 and July of 2017.

Donato Palombo, Director of Operations

Donato Palombo is and has been our Director of Operations since August of 2022. From September 2021 to August 2022, Donato was District Manager with DunkinDonuts located in South Carolina; and Junior VP with Outback Steakhouses located at South Atlantic Division from May 2018 to September 2021.

ITEM 3. LITIGATION

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.

The 810 Entertainment initial franchise fee is \$50,000. The initial franchise fee is uniformly charged for all franchises currently being offered. You must pay the initial franchise fee in full when you sign the franchise agreement. The initial franchise fee is considered fully earned and is nonrefundable.

Area Development Fee.

The Area Development Fee is \$45,000 per additional franchise. You must open a minimum of one additional 810 Entertainment Franchised Business under an Area Development Agreement. There is no maximum number of additional 810 Entertainment Franchised Business under an Area Development Agreement. For example, If you were to purchase one additional franchise under the Area Development fee your Area Development Fee would \$45,000 and if you were to purchase 5 additional franchises under the Area Development Agreement your Area Development Fee would be \$225,000. The Development Fee is due and payable 1/2 upon signing the Area Developer Agreement and 1/2 upon signing the franchise agreement for the additional territory. The Area Developer Fee is uniformly charged for all area development agreements currently being offered. The area development fee is considered fully earned and nonrefundable upon payment.

Other Initial Fees.

If you opt receive sales representative services from our affiliate, 810 Management LLC, you must pay 810 Management LLC a Sale Representative Fee of \$30,000 annually. The iSale Representative Fee is considered fully earned and is nonrefundable and uniformly charge all franchisees that opt to receive sales representative services. You are not require to obtain sales representative services from 810 Management LLC.

You are not required pay us any other initial fees.

Discounts.

Veterans Discount

We offer a 15% discount to honorably discharged U.S. military veterans as an appreciation and financial incentive.

We reserve the option to discount initial fees, discontinue discount(s) offers at any time or offer new discounts in the future.

The initial fees are not refundable under any circumstances. Except as explained and listed above, the Initial fees are uniformly calculated for all Franchised Businesses currently being offered.

ITEM 6. OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Revenue ¹	Monday of each week	Royalty Fees are payable by electronic funds transfer.
National Advertising Contributions	1% of Gross Revenues	Monday of each week	National Advertising Contributions are contributions to the National Advertising Fund payable by electronic funds transfer.
Local Advertising	2% of Gross Revenues ²	As incurred	Local advertising is money we require you to expend to promote your Franchised Business locally.
Regional Advertising Cooperative ³	Variable	As incurred	The amount is determined by the Cooperative but will not exceed the amount equal to 2% of Gross Revenues.
Sales Reservation Fee ⁴	\$30,000	Annual	If you wish to utilize our sales team for reservation and event booking, you must pay this amount annually. You are not required use our sales team for reservation and event booking.
Late Fees	\$50	Upon demand	A late fee must be paid on any payment to us that is more than 5 days late.

Name of Fee	Amount	Due Date	Remarks
Interest	Highest legal rate not to exceed 15% per annum	Upon demand	In addition to the Late Fee, interest is assessed on any payment to us that is more than 30 days late. The interest accrues from the date the payment was due.
Insurance	Amount of premium paid by 810 Franchise Concepts, LLC plus 20%	Upon demand	If you do not purchase insurance coverage as required, you must reimburse us this amount to secure insurance coverage.
Onsite Training	\$300 per day plus travel expenses for onsite training	When applicable	We provide 2 weeks (one before opening and one post opening) free of cost onsite assistance upon opening. We may provide additional onsite assistance at a rate of \$300 per day plus travel expenses. For training beyond the initial training, you must pay the current training fee.
Additional Training ⁵	\$300 per attendee	When applicable	For training beyond the initial training, you must pay the current training fee.
Transfer Fee	\$25,000	Prior to transfer of franchise	Transfer includes any sale, assignment, conveyance, giving away, pledging, mortgaging, or otherwise encumbering any interest in ownership in the Franchised Business assets outside of the normal course of business or ownership rights, subject to state law.
Renewal Franchise Fee	\$20,000	At least 9 months before the expiration of the franchise	In addition to paying this fee, other conditions must be met as listed in the Franchise Agreement, subject to state law.

Name of Fee	Amount	Due Date	Remarks
Interim Franchise Royalty Fees	Franchisor's then- current Royalty Fee plus 2%	Monday of each week when applicable	An Interim Franchise Fee applies if your Franchise Agreement expires, no renewal franchise agreement is signed, and you continue operation of the Franchised Business.
Relocation Fee	Variable	When applicable	If you relocate your franchise business, you must reimburse us the cost and expense we incur in connection with your relocation.
Audit	All costs of inspection and audit	Upon demand	You must reimburse us audit expenses if an audit reveals you under-reported Gross Revenues by 3% or more
Cost of Enforcement	Cost including attorney fees	Upon demand	You must reimburse us for all costs to enforce obligations under the Franchise Agreement if we prevail.
Indemnification	Cost including attorney fees	Upon demand	You must defend suits at your cost and hold us harmless against suits involving damages resulting from your operation of the Franchised Business.
Sales/Use Taxes ⁶	Variable	Payable with your royalty fee or National Advertising Contribution payments	You must pay any state or local sales or use tax that may be assessed on fees paid to us.

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¹"Gross Revenues" means any and all money and other consideration you receive in connection with the ownership or operation of your Franchised Business and from the sale of any authorized products and services or from the sale of any goods or services under the

Marks. Gross Revenues do not include sales or excise taxes that are separately stated and that you are required to collect from customers and pay to a governmental taxing authority.

² Local Advertising is the amount that you must spend to promote your business in your Territory.

³ For each 810 Entertainment business operated by us or our affiliates in a geographical area for which a Cooperative has been established, we will make a Cooperative Contribution on the same basis as assessments required of comparable franchises that are members of the same Cooperative. If outlets owned by us have the controlling voting power, Cooperative Contribution will not exceed 2% of Gross Revenues.

⁴The service included for the Sales Reservation Fee include:

- 1. Responding to all sales inquiries.
- 2. Customizing Providers standard event offerings and pricing as needed.
- 3. Securing contracts and taking payments for event and reservation business.
- 4. Entering and maintaining candidate and event information.
- 5. Purchasing and maintaining a CRM account on behalf of Client
- 6. Purchasing and maintaining an account with Providers' online reservation platform to augment sales teams phone system support.
- 7. Conducting calls with Client's local management team to review event pipeline and ensure successful execution of all booked events.
- 8. Communicating regarding "pop-up" events booked.
- 9. Addressing customer questions or concerns of customer during the interim period between booking date and event date.
- 10. Purchasing and maintaining a phone system and service for the Client integrated with our national IP VOIP phone system platform

All fees are nonrefundable and uniformly imposed on all new franchisees. Some franchisees under future versions of our franchise agreement may be obligated to pay more, less, or different fees than what is listed here.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

⁵ We may increase the fee charged for attention training up to 15% annually.

⁶ The royalties or other fees you pay to us may be entirely or partially subject to state or local sales or use tax, depending upon the laws in your state. If we are required to pay these taxes in your state, you must add the tax to what you pay us.

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee ¹	\$50,000	0	Lump sum via Check or Wire	Upon Signing the Franchise Agreement	Us
Leasehold Improve- ments ²	\$1,400,000 to	\$2,100,000	As incurred	Before Beginning Operations	Lessor
Real Estate/Rent ³	\$25,000 to	\$75,000	As Incurred	Before Beginning Operations	Lessor
Utility Deposits ⁴	\$1,500 to	\$9,000	As Incurred	Before Beginning Operations	Utilities
Furniture, Fixtures & Equipment ⁵	\$1,200,000 to	\$2,000,000	As Incurred	Before Beginning Operations	Suppliers
Initial Inventory ⁶	\$30,000 to	\$50,000	As Incurred	Before Beginning Operations	Suppliers
Insurance	\$30,000 to	\$45,000	As Incurred	Before Beginning Operations	Insurance Companies
Signage ⁷	\$30,000 to	\$95,000	As Incurred	Before Beginning Operations	Us and/or Suppliers

TYPE OF EXPENDITURE	AMOUN'	Т	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Office Equipment & Supplies ⁸	\$2,000 to	\$4,000	As Incurred	Before Beginning Operations	Suppliers
Pre-Opening Expenses ⁹	\$40,000 to	\$60,000	As Incurred	Before Beginning Operations	Suppliers
Computer Equipment (Hardware, Software, POS System, etc.) 10	\$1,000 to	\$4,000	As Incurred	Before Beginning Operations	Suppliers
Training ¹¹	\$5,000 to	\$15,000	As Incurred	Before Beginning Operations	Airlines, Hotels, other Suppliers
Licenses & Permits ¹²	\$10,000 to	\$110,000	As Incurred	Before Beginning Operations	Licensing Authorities
Legal & Accounting ¹³	\$2,000 to	\$5,000	As Incurred	Before Beginning Operations	Attorney, Accountant
Grand Opening Advertising ¹⁴	\$15,000 to	\$45,000	As incurred	Before opening and during the first 3 months of operation	Vendors

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Additional Funds – three months ¹⁵	\$100,000 to	\$300,000	As Incurred	As Necessary	Us, Suppliers, Locations, Lessor, Etc.
TOTAL	\$2,941,500 to	\$4,967,000			

Notes:

¹ The initial franchise fee is considered fully earned and is nonrefundable.

² Estimate do not reflect landlord tenant improvement allowances which have ranged from \$600,000 to \$3,150,000 for tenant improvement allowance (TIA) contributed by the property owner towards the buildout. We and our franchisees have been offered TIA in every lease that has been executed in our system. These amounts have ranged from \$20/sq ft to \$105/sq ft in the leases that have been executed thus far. Monies paid for improvements are generally non-refundable.

³ The site for your Franchised Business is a real property space, which is 20,000 to 40,000 square feet stand-alone building or space within a shopping center. The upper estimate is based on an assumption that you will have to pay a higher security deposit, and the lower estimate is based upon a lower security deposit. Some lessors may refund the security deposit if you cancel the lease before you occupy the sites.

⁴ If you are a new customer of your local utilities, you will generally have to pay deposits to obtain services, including electric, telephone, gas and water. The amount of the deposit and whether the deposit is refundable will vary on the local utilities. You should contact your local utilities for more information.

⁵ You must purchase and/or lease and install furniture, fixtures and equipment and décor necessary to operate your Business from us, our affiliate, or an approved supplier including bowling lanes, billiards tables, dining furniture, televisions, speakers, axe throwing lanes, dart throwing lanes, golf simulators, kitchen and bar equipment. The cost of the furniture, fixtures and equipment will vary according to local market conditions, the size of the facility, suppliers and other related factors. We do not know if the amounts you pay for furniture, fixtures or equipment are refundable. Factors determining whether furniture, fixtures and equipment are refundable typically include the condition of the items, level of use, length of time of possession and other variables. You should inquire about the return policy of the suppliers at or before the time of purchasing or leasing. Some amounts paid for equipment may not be

refundable post-delivery or installation. We reserve the right to require that you purchase your furniture, fixtures and equipment from us or our affiliate.

⁶ You must purchase an initial inventory for your Business. The money you pay for inventory items may not be refundable depending the purchase arrangements. Factors determining whether other inventory items are refundable typically include the condition of the items at time of return, level of use and length of time of possession. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing. Some amounts paid for equipment may not be refundable post-delivery. You will be required to purchase some or all of the initial inventory for your Business from us, the Company or an approved supplier.

⁷ This range includes the cost of all signage used in your Business. The signage requirements and costs will vary based upon the size and location of the Site, local zoning requirements, landlord requirements and local wage rates for installation. The amounts you pay for signage are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchase. We must approve all signage before You order it.

⁸ You must purchase general office supplies including stationery, business cards and typical office equipment. Factors that may affect Your cost of office equipment and supplies include market conditions, competition amongst suppliers and other factors. We do not know if the amounts You pay for office equipment and supplies are refundable. Factors determining whether office equipment and supplies are refundable typically include the condition of the items at time of return, level of use and length of time of possession. You should inquire about the return and refund policy of the suppliers at or before the time of purchase.

⁹Included in this estimate are expenses related to pre-opening payroll, cleaning and preparation, telephone and other communication expenses, and electricity. The additional funds estimate does not includes employee benefit.

¹⁰ You must purchase the computer equipment, hardware, and software necessary for operating the franchise. We currently require you to have and use Touch Bistro Point of Sale System for food and beverage, Switch Point of Sale for bowling and scoring. We do not know if the amounts you pay for the computer equipment may be refundable. The amounts you pay for computer equipment are typically non-refundable, or if refundable, may be subject to a "restocking" fee. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing. You must use the POS system that we designate.

¹¹The cost of initial training for you and your Franchised Business General Manager and Kitchen Manager is included in the Initial Franchise Fee. This amount reflects your travel and stay expenses during the training period. You must pay us additional tuition for additional trainees beyond you and your designee at our then-current rate, which is currently \$300 per training, per person.

¹² State and local government agencies typically charge fees for occupancy permits, operating licenses, health department licenses and construction permits. Your actual costs may vary from the estimates based on the requirements of state and local government agencies. These

fees are typically non-refundable. You should inquire about the cancellation and refund policy of the agencies at or before the time of payment.

¹³ You will need to employ an attorney, an accountant and other consultants to assist You in establishing Your franchise. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants. These fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

¹⁴ This is the recommend amount that you spend on advertising upon opening. The range will depend on your Territory and local market demographics. The monies you pay for advertising are generally non-refundable.

¹⁵ We recommend that You have a minimum amount of money available to cover operating expenses, including additional inventory, supplies, professional fees, and employees' salaries for the first 3 months that Your Business is open. These are only estimates based on Our affiliate's experience in opening and operating a similar business. The predominant factors for calculating the 3-month estimate are amounts paid for 20 part time and 5 full time employees wages and inventory. We cannot guarantee that Our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically non-refundable.

In compiling this chart, we relied on research and investigation regarding the operating history, knowledge and experience of similar Businesses. The amounts shown are estimates only and may vary for many reasons, including the size and condition of your Site, the capabilities of Your management team, and Your business experience and acumen. These figures are estimates only and We cannot guarantee that You will not have additional expenses in starting the franchise.

We do not offer direct or indirect financing for any of your initial investment. All amounts paid to us are nonrefundable. Typically, amounts paid to third parties will not be refundable unless agreed.

Area Developer

If you desire to purchase additional territories and qualify for an Area Developer Agreement, your additional estimated initial Investment will be as follows.

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOU	NT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
810 Entertainment Unit Estimated Initial Investment ¹	2,941,500 to	\$4,967,000	As Incurred	Before Beginning Operations	Us, Vendors, Suppliers, Lessor or Dealer
Area Development Fee ²	\$45,000 to	\$225,000	Lump Sum	One half upon signing the Area Developer Agreement and the remaining half with signing the Franchise Agreement	Us
TOTAL	\$2,986,500 to	\$5,192,000			

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Specifications.

¹ 810 Entertainment Unit Estimated Initial Investment range is the sum of the 810 Entertainment Unit Estimated Initial Investment item 7 table above.

² If you desire and qualify for more than one Territory, Area Development Fee is \$45,000 per additional franchise. The upper range is for additional 5 Franchises and the lower range is for one additional franchise. The area development fee is nonrefundable upon payment

Every detail of 810 Entertainment Franchised Businesses is important, not only to your Franchised Business but also to the us and other 810 Entertainment franchisees, in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services offered by all franchisees, to establish and maintain a reputation for uniform, efficient, high quality products and services, and to protect the goodwill of all 810 Entertainment franchises, You agree to comply with 810 Entertainment uniform specifications, standards, operating procedures and rules for the development and operation of your 810 Entertainment Franchised Businesses (collectively referred to as System Standards). System Standards are described in the 810 Entertainment Manual and otherwise communicated to you. The 810 Entertainment System and Manual are occasionally updated, supplemented, modified, and enhanced.

Current Specification.

Below is a listing of 810 Entertainment specifications and System Standards for the identified categories.

Insurance.

You must obtain and provide us with evidence of insurance in at least the minimum amounts and with the coverages as follows:

- a. Property Insurance Insurance covering buildings, the installations and the FF&E on a special peril broad form basis, against such risk as are customarily covered by such insurance. This insurance shall include perils such as building ordinance, mechanical breakdown and water damage. DIC perils will be evaluated on a probable maximum loss basis. Any risk where the probability of loss exceeds 50% over 250 shall be insured to value unless cost prohibitive. Loss of income shall also be required in amounts no less than twelve consecutive months which would otherwise cover all continuing expenses minus payroll, if business was fully operational, with an extended period of indemnity no less than 90 days.
- b. commercial general liability insurance with a combined single limit of not less than \$1,000,000 for each occurrence and \$2,000,000 per location aggregate including the following coverages: (i) bodily injury including sickness and disease (ii) death, (iii) property damage, (iv) assault and battery, (v) mental anguish and emotional distress as a result of bodily injury, (vi) sexual assault, (vii) personal and advertising injury including false arrest, false imprisonment, unlawful detention, malicious prosecution, libel, slander or violation of the right of privacy, (viii) wrongful entry or eviction, (ix) liquor liability (if the Hotel sells, serves or furnishes alcoholic beverages) and host liquor liability if the sale or service of alcohol is provided by a third party, contractual liability, independent contractors, premises and operation, products and completed operations, and pollution coverage for liability arising out of heat, smoke or fumes from a hostile fire vapor or soot produced by or originating from equipment that it utilized by HVAC equipment.
- c. umbrella excess liability insurance with a \$5,000,000 per occurrence and per location limit applying on an excess and follow form basis over the commercial general liability and auto liability insurance coverages;

- d. business automobile liability insurance with limits of \$1,000,000 insuring against damage due to bodily injury, death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicles, whether owned, non-owned, hired or leased, in connection with franchisee's liability if the Operator provides parking services for guest vehicles;
- e. Cyber Liability limits with \$1,000,000 occurrence limit for claims resulting from Network & Security, Privacy Protection, Denial of Service Attacks, Sphere Phishing and other standard cover parts.
- f. Employment Practice Liability shall be maintained in the amount no less than \$1,000,000 per occurrence. Coverage shall extend to third party sexual harassment.
- g. Workers Compensation Insurance shall be maintained with limits of \$1,000,000 / \$1,000,000 and meet local state statutes.

You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase. All insurance policies shall be in such form and with such companies having an A.M. Best's Rating of A- VII or better. All insurance policies shall specify that they cannot be canceled or materially modified on less than twenty (20) days prior written notice to both Franchisee and Franchisor and any additional insureds.

Evidence of this insurance must be initially provided at least 10 days before you begin operation of your 810 Entertainment Franchise Business. A certificate of renewal must be provided no later than 10 days before the expiration date of each policy. Each required policy of liability insurance must name us as an additional insured and must provide that we will be given at least 30 days' notice before cancellation, modification or amendment of the policy.

The site of the Franchise Business.

The site for your Franchised Business is a real property space. You must use our building specifications for your real property space and design plans for building out, remodeling, or retrofitting your Franchised Business Site. The Site must be approved by us.

Supplies, Fixture, Equipment, Inventory.

All the equipment, supplies, fixtures, inventory, products for your Franchised Business must comply with 810 Entertainment Standards and specifications.

Advertising.

You shall use, display, and publish the 810 Entertainment Marks per System Specification. All of your 810 Entertainment advertising in any medium must be conducted in a dignified manner, be completely accurate and truthful, and conform to all applicable laws and regulations relating to consumer advertising and 810 Entertainment System Standards. You must submit to us and obtain our prior approval for all advertising and promotional plans and materials, and all other materials are displaying the 810 Entertainment Marks. You may not use your advertising materials unless we issue you written approval to do so. Post submission

to us, we shall within fifteen (15) days notify you of approval or disapproval of advertisements.

Computer System.

You must buy and use Toast Point of Sale System for food and beverage, Switch Point of Sale for bowling and scoring. You may not install, or permit to be installed, any devices, software or other programs not approved by us for use with the communication and information system. We may, from time to time, develop or authorize others to develop proprietary software programs for use in the 810 Entertainment System, which you may be required to purchase or license, and use. You may be required to execute any license, sublicense, or maintenance agreement and pay any applicable fees including maintenance, upgrade and support fees required by us or any other approved licensor or approved supplier of such proprietary software programs.

Employee Uniforms.

Your 810 Entertainment employees and staff may be required to wear uniforms that conform to 810 Entertainment specifications, which are contained in the 810 Entertainment Manual.

Designated and Approved Suppliers

You are required to purchase uniforms, some food items and bowling supplies from suppliers and vendors that we designate or approve. We do not provide any products or services to our franchisees.

For any product or service that we designate an approved supplier, you may not purchase these products and services from any other suppliers. We may designate new or different approved suppliers including designating ourselves or one of our affiliates as an approved supplier of any goods or services.

The criteria for designating approved suppliers include a supplier's ability to meet quality standards, availability, and consistency of the products or services. The criteria for the designating and approving suppliers are not published and are not made available to franchisees. Franchisees may not contract with alternative suppliers for designated products or services.

To approve a supplier, we require a sample of the product(s), information regarding the product or service's quality standards, availability, terms, and conditions of purchase, and other information as we may request. If desired we may request a physical inspection of the supplier's place of business or manufacturing facility. Upon submission of samples and information required for approval, we will provide notification within 30 days of our approval or disapproval of a supplier. As a condition of approval, we require the reimbursement of any costs or expenses we incur in approving the supplier. We may revoke the approval of any supplier upon 30 days' notice to franchisees.

We are currently not an approved supplier of goods or services to 810 Entertainment franchisees. Our affiliate, 810 Management LLC, with the address of 1220 Moser Dr., Myrtle Beach, South Carolina 29577, is the non-exclusive supplier of sales representative services.

The estimated proportion of any required purchases and leases in relation to all purchases and leases to be made by you in establishing your Franchised Business is 90% and 90% to 100% of the estimated proportion of any required purchases and leases in relation to all purchases and leases while operating your 810 Entertainment Franchised Business.

810 Franchise Concepts, LLC and our affiliates did not derive any revenue, rebates or other material consideration from required purchases or leases to 810 Entertainment franchisees or suppliers in the calendar year 2024. However, Franchisor reserves the right to derive revenues from you or vendors that provide services to 810 Entertainment in the future.

None of the 810 Franchise Concepts, LLC officers, directors, or managers have an interest in any of the 810 Entertainment approved or designated vendors.

Currently, we do negotiate purchase arrangements, including price terms, with approved suppliers for the benefit of our franchisees.

Currently, there are no formal or mandatory purchasing or distribution cooperatives, but we reserve the right to institute them in the future.

We do not provide a material benefit to franchisees based on a franchisee's purchases of particular products or services or use of particular suppliers.

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 under these agreements and in other items of this disclosure document.

The Section references are to those in the Franchise Agreement and Area Development Agreement (ADA) unless otherwise noted.

Obligation	Section in Franchise Agreement	Item in This Disclosure Document
a. Site Selection and Acquisition/Lease	Article II	Item 11
b. Pre-Opening Purchases/Leases	Section V(B)	Items 7, 8 and 11

Obligation	Section in Franchise Agreement	Item in This Disclosure Document
c. Site Development and Other Pre-Opening Requirements	Article V* ADA Article III	Items 7 and 11
d. Initial and Ongoing Training	Article VI	Items 7 and 11
e. Opening	Section V(E) and Section V(F) ADA Article III	Item 11
f. Fees	Article IV ADA Article II	Items 5, 6, 7, 8 and 11
g. Compliance with Standards and Policies/Operating Manual	Article VII and Article XIV	Items 8 and 11
a. Trademark and Proprietary Information	Article XIII ADA Article V	Items 13 and 14
b. Restrictions on Products/Services Offered	Section VII(C)	Items 8 and 16
c. Warranty and Customer Service Requirements	Section VIII(G)	Not Applicable
d. Territorial Development and Sales Quotas	None	Not Applicable
e. Ongoing Product/Service Purchases	Article X, Article VII	Items 8 and 11

Obligation	Section in Franchise Agreement	Item in This Disclosure Document
f. Maintenance, Appearance and Remodeling Requirements	Section V(H)	Item 8
g. Insurance	Article XII	Items 6 and 7
h. Advertising	Article XVI	Items 6, 7 and 11
i. Indemnification	Article XIII	Not Applicable
j. Owner Participation Management/Staffing	Section VIII(A)	Item 15
k. Records/Reports	Article XI	Item 6
I. Inspections/Audits	Section XI(B)	Item 6
m. Transfer	Article XVII ADA Article VII	Item 17
n. Renewal	Section III(B)	Item 17
o. Post-Termination Obligations	Article XIX	Item 17
p. Noncompetition Covenant	Article XX ADA Article IX	Item 17

Obligation	Section in Franchise Agreement	Item in This Disclosure Document
q. Dispute Resolution	Article XXI ADA Article XI	Item 17
r. Other	None	None

ITEM 10. FINANCING

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

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

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

Pre-Opening Obligations

- 1. The site for your Franchised Business is a real property space (Site). We do not select the site for your Franchised Business. We approve the Site for your Franchised Business (Section IV of the Franchise Agreement).
- 2. We provide building specifications for your real property space and design plans for the buildout of the site of your Franchised Business. We do not deliver or install equipment for your site. (Section IV of the Franchise Agreement).
- 3. We provide you with the standards, specifications, and a list of designated and approved suppliers for all the equipment, supplies, products, and other materials you will need to operate the franchised business (Section VI of the Franchise Agreement).
- 4. We provide a listing of all products and services that your Franchised Business may offer (Franchise Agreement Article VI).

- 5. We provide final written approval prior to the opening of your 810 Entertainment Franchised Business. (Section IV of the Franchise Agreement).
- 6. We provide 2 weeks (one before opening and one post opening) free of cost onsite assistance upon opening. We may provide additional onsite assistance at a rate of \$300 per day plus travel expenses (Section IV of the Franchise Agreement).
- 7. We approve the Designated Manager of your Franchised Business. We do not assist, select, train, or hire your employees. (Section VII of the Franchise Agreement).
- 8. We provide you with an initial training program as further described in this item (Section V of the Franchise Agreement).
- 9. We loan or make available to you a copy of 810 Entertainment Manual, which is confidential and will remain our property. We may modify the Operating Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. (Section XIV of the Franchise Agreement). The table of contents is listed in EXHIBIT J along with the total number of pages in the Operating Manual.

After the Franchised Business Opens

- 1. In the event of relocation, we do not select the site for your Franchised Business. We approve the Site for your Franchised Business (Section IV of the Franchise Agreement).
- 2. We provide building specifications for your real property space and design plans for the site of your Franchised Business (Section IV of the Franchise Agreement).
- 3. We maintain and provide updated standards, specifications, and designated and approved suppliers for all the equipment, supplies, products, and other materials you will need to operate the franchised business (Section VI of the Franchise Agreement).
- 4. We maintain and provide updated listing of all products and services that your Franchised Business may offer (Franchise Agreement Article VI)
- 5. We provide initial training for replacement staff and managers (Section V of the Franchise Agreement).
- 6. We may provide additional and on-going training for staff and managers (Section V of the Franchise Agreement).
- 7. We may organize an annual conference for all 810 Entertainment franchisees and staff (Section V of the Franchise Agreement).
- 8. If you do not resolve a dispute with a customer, we may investigate the matter and resolve the dispute (Franchise Agreement VII).
- 9. We provide continuing assistance in operating your 810 Entertainment Franchise Business (Section V of the Franchise Agreement).

- 10. We loan or make available to you any updates and changes to the 810 Entertainment Manual (Section XV of the Franchise Agreement).
- 11. We review your 810 Entertainment advertising material (Section XV of the Franchise Agreement).
- 12. We provide you with recommended and suggested pricing for the products and services that you sell. You must fully participate, honor, and comply with any and all System, local, regional, seasonal, promotional, and other programs, initiatives and campaigns adopted by us that we require you to participate in (Section VI of the Franchise Agreement).
- 13. We approve any replacement Designated Manager of your Franchised Business. We do not select or hire your employees. (Section VII of the Franchise Agreement).

Advertising.

At your request, we will provide marketing consultation, general advertising strategy, promotional planning, and budgeting. We are not obligated to spend any amount of money on advertising in your Territory or area.

Your Advertising.

You must submit to us for our prior approval samples of all advertising and promotional plans, materials, and all other materials displaying the Marks, and we will provide you with written approval or disapproval in 15 days. You may not use your own advertising materials or other materials which bear the Marks unless you have received our prior written approval.

You may not establish or maintain a domain name, an Internet website or webpage that relates to or advertises your 810 Entertainment Franchised Business or displays the Marks, as we reserve the exclusive right to control any websites or web pages concerning 810 Entertainment Franchised Businesses and the Marks. We have the right to use and have ownership of any Franchisee developed advertising.

Local Advertising.

You must expend sufficient monies, resources, and conduct advertising and public relations within the local area to promote your 810 Entertainment Franchised Business. Currently, we require you to spend 2% of Gross Revenues on local advertising (Local Advertising).

Regional and Local Advertising Cooperatives.

We may designate any geographical area in which at least two 810 Entertainment Franchised Businesses are located for the purpose of establishing a local or regional marketing and advertising cooperative (Cooperative). Each Cooperative will be organized and governed in a manner approved by us in writing. If your Territory is within the geographic boundaries of a Region or Local Cooperate that we designate, you will be required to participate in the cooperative. The members of the Cooperative will determine the amount of the Cooperative

Contribution, but the Cooperative Contribution may not exceed 1% of Gross Revenues unless the members of the Cooperative, by a majority vote, agree to a Cooperative Contribution greater than that amount. Within thirty days after the end of each calendar month, each Cooperative will prepare an unaudited statement of the Cooperative's financial position and results of operations of the Cooperative. Each member of the Cooperative will be entitled to receive a copy of the Cooperative's financial statements upon request. For each 810 Entertainment business operated by us or our affiliates in a geographical area for which a Cooperative has been established, we will make a Cooperative Contribution on the same basis as assessments required of comparable franchises that are members of the same Cooperative. You do not have the right to form, change, dissolve, or merge any Regional Advertising Cooperative. The Regional Advertising Cooperative shall be administered by us. There are currently no Regional Advertising Cooperatives or governing documents available for your review.

National Advertising Fund.

You are obligated to contribute up to 1% of Gross Revenues to the 810 Entertainment National Advertising Fund. All contributions to the 810 Entertainment National Advertising Fund are maintained in a separate account and may be used for maintaining, administering, researching, directing, and preparing advertising and/or promotional activities including, without limitation, the costs of preparing and conducting advertising campaigns, which may be local, regional or national, in various media; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; employing advertising agencies to assist therein; product development; and developing and providing promotional and other marketing materials for franchisees in the System. We are reimbursed for any labor or services that we provide to the fund and for any costs that we incur for or on behalf of the fund. We may loan the additional funds if needed. For each of our company-owned locations (if any), we will make contributions to the National Advertising Fund on the same basis as assessments required of comparable franchises within the System. We will make available to any franchisee who contributes to the fund the unaudited financial statements of the fund after April 30 of each year. Except as disclosed above, neither we nor any affiliate of ours will receive any payment from the fund. We do not use any National Advertising Fund dollars for soliciting new franchise sales. (Sections IV of the Franchise Agreement).

The National Advertising Fund did not collect any contributions in 2024. If, however, excess amounts remain in the National Advertising Funds at the end of year, the used monies shall be retained by the National Advertising Fund and all expenditures in the following year(s) shall be made first out of accumulated earnings from previous year(s), next out of earnings in the current year, and finally from contributions.

Franchise Advisory Council.

We may establish a Franchise Advisory Council. The purpose of the Franchise Advisory Council is to facilitate communication between our franchisees and us, which will lead to mutual growth, development, and profitability of the entire 810 Entertainment System. You shall participate, at your sole expense, in local, regional and national franchise advisory committees or councils if established or sanctioned by us. The Council serves in an advisory capacity only and does not have the authority to establish or modify our policies. We have the power to

determine membership, the election of Council Officers and change or dissolve the Franchise Advisory Council.

Computer Requirements.

You must buy and use Toast Point of Sale System for food and beverage, Switch Point of Sale for bowling and scoring. We estimate the cost of leasing or purchasing the computer system to be \$\$1,000 to \$4,000.

It is your obligation to maintain, repair, upgrade, and update your computer system. Without a contractual limit on frequency and cost, you are required to lease, buy, use, update, and upgrade the computer hardware and software that we designate and stipulate. We are not required, and we do not require our affiliates or third parties to maintain, repair, upgrade, and update your computer system. The annual cost of any optional or required maintenance, updating, upgrading, or support contracts \$6,000 to \$8,000. Article X of the Franchise Agreement.

You will use your computer system to maintain information about your customers, prepare proposals and invoices, maintain the financial records of the franchised business, access Internet sites, and communicate with prospective and current customers, suppliers, us, and others via e-mail. You must provide us with independent access to all of the information that will be generated and stored on your computer system if we request it, including the delivery of a backup of your database. There are no contractual limitations on our right to access the information.

Site Selection and Opening.

The site for your Franchised Business is a real property space (Site), which is 16,000 to 45,000 square feet stand-alone building or space within a shopping center. We do not select the site for your Franchised Business, and we generally do not own the premises or lease site to you for your Franchised Business. We approve the Site for your Franchised Business (Section IV of the Franchise Agreement). The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms. The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. You are responsible for conforming the Site premises to local ordinances and building codes and obtaining any required permits for constructing, remodeling, or decorating the Site premises. We provide building specifications for your real property space and design plans for the Site of your Franchised Business (Section IV of the Franchise Agreement).

The typical length of time between the signing of the Franchise Agreement, or the first payment of consideration for the franchise, and opening the franchised business varies, but you should be able to commence operation within 18 months after signing as required by the Franchise Agreement. Factors affecting this time period include: how long it takes to complete any modification of your 810 Entertainment site, completion of financing arrangements, compliance with local ordinances and obtained permits, obtained and installed equipment, your previous employment commitments (if any), your ability to complete our training program, and/or hiring and training personnel.

If you do not secure a Site, or we do not approve a Site for your Franchised Business within 6 months, or you do not open your Franchised Business within 18 months, we may terminate your Franchise Agreement and retain all monies that you have paid us or our affiliates.

We do not select the site for any additional franchises under your Area Development Agreement, and we generally do not own the premises or lease sites the Franchised Businesses under the Area Development Agreement. We approve each additional Sites for the Franchised Businesses under the Area Developer Agreement. We provide building specifications for your real property space and design plans for the additional Sites of your Franchised Business.

The typical length of time between the signing of the Area Developer Agreement, or the first payment of consideration for the Area Development Agreement and securing the lease for the additional each franchise under the Area Development Agreement is an additional 12 months for each franchise. You must open each additional the franchised business under the Area Development Agreement is an additional 24 months for each franchise. Factors affecting this time period include: how long it takes to complete any modification of your 810 Entertainment site, completion of financing arrangements, compliance with local ordinances and obtain permits, obtain and install equipment. If you do not secure a lease or failure to obtain our approval for a lease within the additional 12 months for each additional franchise or do not opening the additional franchised businesses within the additional 24 months under the Area Development Agreement, we may terminate the Area Development Agreement, but we may not terminate the franchise agreements for the franchised businesses already open for your failure to open or secure a lease within the required time period.

Training Program.

We provide a tuition-free initial 810 Entertainment training program which includes orientation to the 810 Franchise Concepts, LLC system; customer service; operational management; financial management; computer software use; advertising and marketing; and reporting procedures. The training lasts up to 2 weeks or less depending on your existing experience level. It is currently held at our North Myrtle Beach, South Carolina location, but we may hold the training at one of our other locations in the future. Instructional materials may include manuals, videos, scripts, and PowerPoint presentations. Training is not scheduled on a regular basis but will be offered to you before opening the franchised business. Your General Manager and Kitchen Manager must attended and successfully completed to our satisfaction the initial training 2-6 week prior to the opening of the Franchised Business. You must pay for all travel, lodging and other costs of attendance. Thereafter, we may charge a fee for attendance of the initial training for new and replacement managers. Our current fee for a replacement and new managers is \$300 per trainee.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the- Job Training	Location
Bowling Machines	4 hours	6 hours	North Myrtle Beach South Carolina
Bowling POS	4 hours	16 hours	North Myrtle Beach South Carolina
Kitchen Food Prep	4 hours	16 hours	North Myrtle Beach South Carolina
Bar Drink Prep	4 hours	16 hours	North Myrtle Beach South Carolina
Food and Beverage POS		8 hours	North Myrtle Beach South Carolina
Gaming Equipment		4 hours	North Myrtle Beach South Carolina
Gaming POS		4 hours	North Myrtle Beach South Carolina
Total	16 Hours	70 Hours	

Instructor for Initial Franchisee Training are:

Willie Vereen, who has been a Kitchen Manager for our affiliate's, 810 North Myrtle Beach LLC, for 6 years and has 35 years of the Kitchen experience.

Michael Siniscalchi, who is our Founder and President and the Founder of our affiliates since 2015.

Donato Palombo who is Director of Operations and has been with 810 Entertainment for 1 year and has 2 plus years of hospitability management experience.

We may change, add to, or make substitutions for the subjects and instructors listed in the tables and above as necessary or appropriate. All instructors and substitute instructors will have a minimum of one-year experience in the 810 Entertainment System or the subject matter, which they provide training and instruction.

We will provide additional training programs at reasonable times and at locations selected by us during the term of the Franchise Agreement and will host national conventions at times and locations selected by us. You must attend the national convention. We may require attendance at other additional training programs. You must pay for all travel, lodging and other costs of attending training and the national convention. We may charge a reasonable per diem fee for other training programs. In the current fiscal year, there will be no more than two to five additional training programs and the programs will be between one and four days long.

You are encouraged to schedule your training as soon as possible after executing the Franchise Agreement. We will not be liable for your costs or expenses if we terminate the Franchise Agreement because mandatory training is not completed to our satisfaction.

You are responsible for all expenses you and your employees incur to attend the initial training, including wages, benefits, transportation, meals, accommodations, and entertainment.

ITEM 12. TERRITORY

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..

Your 810 Entertainment Franchised Business will operate from a real property space (Site). We approve the Site for your Franchised Business.

You may relocate the Site of your Franchised Business so long the new Site meets our then current Site requirements, and you reimburse us for any costs and expenses we incur in your relocation. Currently, for relocation and Site selection, we require that the Site is approved by us and that your Site meets our building specifications for your real property space and design plans. As a relocation fee, you are obligated to reimburse for any cost and expense that we incur reviewing or approving your relocation.

Subject to the Franchise Agreement Terms, you are granted a territory, which is a 7 mile radius from the Site of the Franchised Business or a population of 70,000, whichever is less. You may only solicit customers within your Territory and accept orders at your Site. You do not have the right to use other channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Territory unless we give you written consent to serve another specified area where no other 810 Entertainment franchise or company-owned unit is located. If you are granted consent to service another

specified area, you shall be obligated to a pay royalty fees and other to us for the services performed or products sold.

We promise and agree not to operate a business using the 810 Entertainment System and the Marks within the Territory or authorize anyone else to operate a business using the 810 Entertainment System and the Marks within the Territory during the term of the Franchise Agreement if you are complying with the Franchise Agreement and subject to these limitations. We are not obligated to ensure that no other franchise will conduct operations in your Territory. Although such activities are discouraged, we reserve the right to determine how to respond to any such situation. We are not required to compensation you for our or other franchisees' soliciting or accepting orders inside your territory.

We reserved the rights to limit your Territory as follows:

Own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, outside the Territory.

Acquire a system of Competitive Businesses (as defined herein) with units located within your Territory or outside the Territory.

Sell or franchise others to sell the services and products authorized for 810 Entertainment Franchised Businesses using the Marks or other trademarks, service marks and commercial symbols through alternate channels of distribution; venues; site or location models other than the model concepts of your Franchised Business ,which is a real property space; joint marketing with partner companies; direct mail; catalogue sales; internet sites; and cobranding strategies, pursuant to such terms and conditions as Franchisor deems appropriate.

Advertise, promote, market or sell goods or services using the 810 Entertainment Marks over the Internet, the World Wide Web or any other electronic network.

Offer and sell the services and products authorized for Franchised Business using the 810 Entertainment Marks or other trademarks, service marks and commercial symbols to Special Accounts as defined and a per the conditions set forth in the Franchise Agreement.

Own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, in Special Venues as defined in this Agreement.

We nor our affiliates operate or have plans to operate or franchise others to operate a business selling the same goods or products under a different name or solicit customers within your Territory except as stated above.

Special Venues.

We or other franchisees or licensees may own, acquire, establish or operate businesses like the 810 Entertainment Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks in any temporary or permanent venue where there is a captive audience and where the primary purpose is other than patronizing an

810 Entertainment business (referred herein as a "Special Venue"), in the way of examples, but not an exhaustive list: malls, entertainment and sports centers, military bases, transportation facilities, supermarkets, service stations, and carnivals within the Development Area or outside of the Territory.

Acquisition of Competing System.

If you are in compliance with the Franchise Agreement and we acquire a system of Competitive Businesses (an "Acquired System") during the term of the franchise agreement, we will offer you the option to purchase and operate, as an 810 Entertainment Franchise, any unit of the Acquired System (an "Acquired Unit") that is both purchased by us for operation by us our Affiliate (e.g., the unit will not be operated by a licensee of the Acquired System) and is located within your Territory. We shall provide you with written notice of our purchase of the Acquired System, the terms and conditions applicable to your option to purchase Acquired Units, and such other information that we believe is necessary to be included in the notice. If you do not elect to purchase or fail to complete the purchase of, an Acquired Unit within two (2) months after notice, we can operate, through an Affiliate or third-party licensee, the Acquired Unit under any trade name or trademark other than 810 Entertainment Marks. You have no right to purchase, and we are not obligated to offer you any option to purchase, any Acquired Unit that is operated by a licensee under the Acquired System. We may license such unit to be operated under any trade name or trademarks other than 810 Entertainment Marks and may also license additional units of the Acquired System to be developed and operated within your Territory.

If you are in good standing under the Franchise Agreement and otherwise meet our financial qualifications, you may request that we sell you another 810 Entertainment franchise. We reserve the right to determine whether to sell you another franchise. If you buy an additional franchise, it will be under the then-current form of Franchise Agreement and other applicable agreements that may be different from those described in this disclosure document.

Your Franchise Agreement does not give you any other option, the right of first refusal, or similar right to acquire additional franchises. Your Territory rights are not dependent on achieving a certain sales volume or market penetration. We may establish another franchise or company-owned location in the Territory if you fail to comply with the Franchise Agreement. Except as disclosed in this Item 12, there are no other circumstances that permit us to modify your territorial rights.

Area Development Program

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

If you sign an Area Development Agreement, your rights to the Development Area will be set forth in the Area Development Agreement. While the Area Development Agreement is in effect, provided that you open and operate 810 Entertainment Franchised Businesses in accordance with the Development Schedule and the minimum number of Franchises that you have open and operating in the Development Area at any given time is not less than the

minimum required pursuant to the Development Schedule, we will not operate, or license any person other than you to operate, an 810 Entertainment Franchised Business under the Marks and the System within the Development Area.

We reserve the right to own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, outside the Development Area; acquire a system of Competitive Businesses (as defined herein) with units located within your Development Area or outside the Development Area; sell the services and products authorized for 810 Entertainment Franchised Business using the Marks or other trademarks, service marks and commercial symbols through alternate channels of distribution, joint marketing with partner companies, direct mail, catalogue sales, Internet sites and co-branding strategies, pursuant to such terms and conditions as Franchisor deems appropriate; advertise, promote, market or sell goods or services using the 810 Entertainment Marks over the Internet, the World Wide Web or any other electronic network; offer and sell the services and products authorized for Franchised Business using the 810 Entertainment Marks or other trademarks, service marks and commercial symbols to Special Accounts; own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, in Special Venues as defined in this Agreement.

We do not select the Site for any additional franchises under your Area Development Agreement, and we generally do not own the premises or lease sites the Franchised Businesses under the Area Development Agreement. We approve the Sites for each additional Franchised Businesses under the Area Development Agreement. We provide building specifications for your real property space and design plans for the additional Sites of your Franchised Businesses.

The typical length of time between the signing of the Franchise Agreement, or the first payment of consideration for the Area Development Agreement, and opening the franchised business varies, but you should be able to commence operation within an additional 18 months for each additional franchise business after signing as required by the Area Development Agreement. Factors affecting this time period include how long it takes to complete any modification of your 810 Entertainment Site, completion of financing arrangements, compliance with local ordinances and obtain permits, obtain and install equipment. If you fail to adhere to the Development Schedule, we may terminate the Area Development Agreement and all of your territorial rights will be eliminated. We otherwise will not change the size of your Development Area.

ITEM 13. TRADEMARKS

Our principal trademarks (the "Marks") are described below and are registered or pending as indicated in the table below with the United States Patent and Trademark Office (the "Trademark Office") on the principal registry:

Mark	Registration Number or Serial Number if Registration is Pending	Class	Registration Date
810	5633818	IC 41	December 18, 2018
BE SOCIAL	4921768	IC 41	March 22, 2016
	6325717	IC 41	April 20, 2021
99112831 SOLUTION OF THE PROPERTY OF THE PROP		IC 41 and IC 43	Pending as March 31, 2025

We have filed all required affidavits and renewals with respect to these registrations.

The trademark is owned by Michael Siniscalchi. We have a perpetual license to franchise the trademarks.

There are no currently effective material determinations of the Trademark Office, the Trademark Trial and Appeal Board, or any other trademark administrator or any court, pending interference, opposition, or cancellation proceeding, or any pending material litigation involving the Marks.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise. We are not aware of any infringing uses of the Marks that could materially affect your use of them.

Your use of the 810 Entertainment Marks is limited to use in connection with the operation of your 810 Entertainment Franchised Business within the Territory as described in the Franchise Agreement and as set forth in the 810 Entertainment Manual. You must promptly notify us of any use of the 810 Entertainment Marks or any colorable variation by any person or legal entity or any litigation instituted by any person or legal entity against you or us involving the 810 Entertainment Marks. We are not required to defend the 810 Entertainment Marks. In the event we undertake the defense, prosecution, or settlement of any litigation relating to the 810 Entertainment Marks, you agree to assist as necessary to carry out such defense, prosecution or settlement. In the event that any party demonstrates to us a superior right to

use any of the 810 Entertainment Marks, you shall, upon demand by us, discontinue use of such 810 Entertainment Mark(s) and adopt, at your sole cost and expense, any Mark(s), if any, selected by us to replace such discontinued Mark(s).

You shall not use any of the 810 Entertainment Marks, or any derivative or colorable variation thereof: (i) as part of your corporate or other legal name; (ii) on or as part of any Web Site, domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or other similar services (without our prior written consent); (iii) with any prefix, suffix (including, but not limited to, the word "Inc."), or other modifying words, terms, designs, or symbols; or (iv) in any modified form. Franchisee shall not register any of the Marks, or any derivative or colorable variation thereof, as a service mark, trademark, or Internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefor or that may harm, tarnish, or impair Franchisor reputation, name, services or Marks. The provisions of this paragraph shall survive the expiration, termination or cancellation of this Agreement.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We own no patents material to the franchise. We own no copyright registration material to the franchise. We do have unregistered copyrights in the 810 Entertainment Manual, and all printed, audiovisual and other materials developed and distributed for use by our franchisees or us (collectively called the "Proprietary Information"). Information not protected by copyright, but which is confidential to us, such as information about our methods, policies, and marketing programs, is also part of the Proprietary Information.

There are no administrative or judicial determinations relating to the copyrights, nor any agreements that limit the use of them. We are not obligated to protect these copyrights.

You will not acquire any interest in the Proprietary Information. All Proprietary Information must be returned to us immediately upon the termination of the Franchise Agreement for any reason. The Proprietary Information is disclosed to you solely on the condition that you (1) will not use it in any other business or capacity; (2) will maintain the absolute confidentiality of the information during and after the term of your Franchise Agreement; (3) will not make unauthorized copies of any portion of the Operating Manual or any other written communication from us; (4) will not disclose or duplicate any part of the Proprietary Information other than disclosure to an employee of the franchised business to the extent necessary to do his or her job; and (5) will adopt and implement all reasonable procedures we may require preventing unauthorized use or disclosure of the information, including restrictions on disclosure of the information to employees of the franchised business and the use of nondisclosure and noncompetition clauses in employment agreements. All shareholders, officers, directors, partners, and members of the franchise are presumed to have access to Proprietary Information and must sign a Nondisclosure and Noncompetition

Agreement to maintain the confidentiality of the Proprietary Information and conform to the noncompetition covenants.

You must inform us in writing if anyone breaches the Nondisclosure and Noncompetition Agreement or if there is any other violation of the obligations regarding any of the Proprietary Information or if you learn about any improper use of any of it.

OPERATION OF THE FRANCHISE BUSINESS

You must maintain a designated full-time manager of the franchised business who is approved by us and has completed the Initial Training. The manager need not have an ownership interest in the franchise. No individual franchisee or any shareholder, partner, member, or other owner of a business entity franchisee may compete with us or own an interest in any competitor of ours anywhere during the term of your Franchise Agreement or within any 810 Entertainment franchise territory for two years after the expiration or termination of your Franchise Agreement.

Each shareholder, partner, member, and other equity owner of the franchise, and each individual shareholder, partner, member, and other equity owner of any shareholder, partner, member, and other equity owner that is itself a business entity and their respective spouses (irrespective if they are or are not a party the Franchise Agreement), must personally guarantee all of the franchisee's obligations and performance under the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all products and services, and only those products and services, authorized by us and specified in the 810 Entertainment Manual or as designated in writing by us (the "Permitted Products and Services"). We may add and delete products or services to or from the 810 Entertainment Permitted Products and Services at any time. We may also designate any products or services as optional.

You may only offer to sell products and services in your Territory, and you may only sell products and services from your Site unless we give you written consent to serve another specified area where no other 810 Entertainment franchise or company-owned unit is located. If you are granted consent to service another specified area, you shall be obligated to pay royalty fees and other fees to us for the services performed or products sold. You do not have the right to use other channels of distribution such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Territory unless we give you written consent to serve

another specified area where no other 810 Entertainment franchise or company-owned unit is located.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

References are to sections in the Franchise Agreement unless otherwise noted.

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.

Provisio	n	Section in Franchise Agreement	Summary
	m of the nchise	Section II(A)	10 years from the date that we sign the Franchise Agreement.
b. Rene exte term	nsion of the	Section II(B)	Upon the expiration of the initial term or any renewal term of the Franchise Agreement, you may, at its option, renew the Franchise Agreement for an additional term of 10 years (the "Successor Franchise"), provided that at the end of each term you meet conditions listed including paying a Successor Fee.
for y	uirements ou to renew ktend	Section II(B)	Renew means upon the expiration of your Franchise Agreement, as a condition to renewal, you may be asked to sign an agreement with materially different terms AND CONDITIONS FROM THE ORIGINAL FRANCHISE AGREEMENT. The other agreement that you must sign to renew may have materially different terms and conditions from the original franchise agreement. In order to renew, we must be offering 810 Entertainment Franchises; you must give us written notice between 6 months

Provision	Section in Franchise Agreement	Summary
		to 1 year, prior to the end of the term; you must not be in default under any provision of The Franchise Agreement or any other agreement between you and our affiliates, approved suppliers of the 810 Entertainment System, or the lessor of your 810 Entertainment Site, and have substantially complied with all of the terms and conditions of Franchise Agreement; you have the right to remain in possession of your 810 Entertainment Site, or a suitable substitute location that is approved by us and meets our then-current specifications and standards, for the entire term of the Successor Franchise; you must refurbish your 810 Entertainment Franchised Business to conform to the then-current 810 Entertainment trade dress, color schemes, and presentation of the Marks and 810 Entertainment Systems Standards; you must sign the then-current 810 Entertainment franchise agreement terms of which may differ from the terms of Franchise Agreement; you must pay us a Successor Franchise Fee of \$20,000; and you must comply with then-current 810 Entertainment qualifications and training requirements. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you	Section XVII(A)	We will be considered in default of the Franchise Agreement if we breach any material obligations of the Franchise Agreement and fail to cure the default within 60 days of written notice from you. Franchisee may seek termination upon any ground available by state law
e. Termination by us without cause	None	Not applicable

Pr	ovision	Section in Franchise Agreement	Summary
f.	Termination by us with cause	Section XVII(B)	We can terminate only if you default.
g.	"Cause" defined defaults which can be cured	Section XVII(B)	We may elect to terminate your 810 Entertainment Franchise Agreement if you fail to pay, when due, any sum required to be paid under the Franchise Agreement or any other agreement between us after written notice and ten (10) days opportunity to cure; or if you fail to perform, or breach, any other provision of your 810 Entertainment Franchise Agreement or of any other agreement or instrument between us; or you fail to operate the Franchised Business in full compliance with the Franchise Agreement, the 810 Entertainment Manual, or 810 Entertainment System Standards; or fail to cure any such breach within thirty (30) days from notice of breach.
h.	"Cause" defined defaults which cannot be cured	Section XVII(B)	We may elect to terminate your 810 Entertainment Franchise Agreement, without opportunity to cure if you fail to locate and secure a Site and get approval with the terms of the Site Selection Addendum or fail to open the Franchised Business within the time limits prescribed by the Franchise Agreement; you fail to satisfy all of the training obligations on three (3) or more separate occasions within any period of twelve (12) consecutive months; you fail to submit reports or other information or supporting records when due or otherwise fail to comply with the Franchise Agreement, whether or not such failures to comply are corrected after notice; you fail to operate your 810 Entertainment Franchised Business for more than two (2) consecutive days, or otherwise abandon the Franchised Business; you provide for offers or sales of any Permitted Products and Services at or from a location that is within the franchise territory of another 810 Entertainment franchisee (except as expressly stated in this Agreement, the Manual, or any other written

Provision	Section in Franchise Agreement	Summary
		agreement between Franchisor and Franchisee), or otherwise infringes upon rights granted by us under franchise agreements with other franchisees of Franchisor; you fail to achieve or exceed System Standards in two (2) inspections in any twenty four (24) month period; you are declared bankrupt or insolvent or you are the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code; a receiver is appointed for you or for any part of your property, or you make any assignment for the benefit your creditors, if not dismissed within fifteen (15) days; you lose the right to possession of the premises upon which the Franchised Business is located, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located; Franchisee fails, for a period of ten (10) days after receipt of notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business; you make any transfer or attempted transfer that fails to comply with this Agreement; the Franchised Business is seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over or foreclosed by a creditor, lien holder or lessor; a final judgment against you remains unsatisfied for thirty (30) days (unless superseded as or other appeal bond has been filed), or a levy of execution has been made upon the franchise granted by this Agreement or upon any property used in the Franchised Business that is not discharged within five (5) days of such levy; any conduct or activity by you or any of your Principals, directors, or officers that Franchisor believes is reasonably likely to have an adverse effect or reflect unfavorably on the Franchised Business, us, the 810 Entertainment System, the Marks, or the goodwill associated; you knowingly maintain false books or records, or knowingly understate your Gross Revenues reported to Franchisor; any threat or danger to public health

Provision	Section in Franchise Agreement	Summary
		or safety resulting from the construction, maintenance, or operation of the Franchised Business, and you have not immediately commenced actions to cure the problem or have not promptly cured or corrected the problem or activity that gave rise to the threat or danger; you make or attempt to make any transfer or assignment of the Franchised Business, Franchise business assets, rights under the Agreement, or ownership the Franchised Business contrary to the Franchise Agreement; or you or any of your Principals violate any of the Covenants of the Franchisee, commit an infringement of the Proprietary Marks, or communicate, divulge, or use Confidential Information contrary to the Franchise Agreement.
i. Your obligations on termination or nonrenewal	Article XX	Upon the termination, you must: cease to operate your Franchised Business and not hold itself out as a present or former 810 Entertainment franchisee of Franchisor; cease to use the 810 Entertainment System or 810 Entertainment Marks; make modifications to the Franchised Business Site to prevent the operation of any business on the Site that might be deemed substantially similar to the 810 Entertainment Franchised Business; at our option, assign to us (i) telephone numbers of the Franchised Business and all related Yellow Pages, White Pages and other business listings, and (ii) Web Sites, web pages, listings, banners, URLs, advertisements, or any other services and links, and sell to us the assets of the Franchised Business; turn over the 810 Entertainment Manual, records, customer and other files, instructions, correspondence, and software provided and/or licensed by us; cancel any assumed name or equivalent registration that contains the 810 Entertainment Marks; pay all sums due and owed to us; obtain and maintain professional liability or errors and omissions insurance and general liability insurance for a period of time not less than the applicable statute of limitations in the

Pr	ovision	Section in Franchise Agreement	Summary
			jurisdiction in which the Franchised Business is located; appoint us as the true and lawful attorney-in-fact and agent for Franchisee to carry out Franchisee obligations under the terms of termination.
j.	Assignment of contract by us	Section XVI(A)	We have the right to transfer or assign all or any part of our rights and/or obligations to any person or legal entity.
k.	"Transfer" by you definition	Section XVI(B)	Transfer includes any sales assignment, transfer, convey, give away, pledge, mortgage, or otherwise encumbrance of any interest therein or in Franchise, or Franchisee assets.
1.	Our approval of transfer by franchisee	Section XVI(B)	We have the right to approve all transfers but may not unreasonably withhold consent.
m.	Conditions for 810 Franchise Concepts, LLC approval of transfer	Section XVI(B)	All outstanding obligations related to the Franchised Business must be paid, and the transferor's right to receive compensation must be subordinated and secondary to our rights. The transferee must sign written assumption; transferee must meet 810 Entertainment standards; transferee must sign a then-current 810 Entertainment franchise agreement, and such other ancillary agreements; transferee must successfully complete 810 Entertainment initial training, and you or the transferee must pay a transfer fee.
n.	Our right of first refusal to acquire your business	Section XVI(D)	We have the right, exercisable by written notice to you, to purchase such rights or interests for the price and on the terms and conditions contained in any offer for your Franchised Business, except we may substitute equivalent cash for any form of payment proposed in such offer. Any purchase by

Pro	ovision	Section in Franchise Agreement	Summary
			us must be completed within ninety (90) days after your receipt of our written notice. If we do not exercise our right of first refusal, you may complete the sale of interest to the bona fide purchaser, subject to our approval; however, if the sale to the purchaser is not completed within one hundred twenty (120) days after the delivery of the offer to us, we will again have the right of first refusal.
0.	Our option to purchase your business	Section XX (8)	Upon termination or expiration of your Franchise Agreement, at our option (to be exercised within thirty (30) days after termination), you must sell to us any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory related to the operation of your Franchised Business, at the depreciated book value.
p.	Your death or disability	Section XVI(E)	Must transfer to an approved 3rd party within 6 months subject to all conditions except transfer fee.
q.	Noncompetition covenants during the term of the franchise	Section XIX(A)(3)	No involvement in a competing business; cannot assist or deal with a competing business; cannot infringe on another franchisee's territorial rights; cannot employ ours or another franchisee's employees.
r.	Noncompetition covenants after the franchise is terminated or expires	Section XIX(B)	No involvement in a competing business for 2 years in, or within 25 miles of any 810 Entertainment; no solicitation of customers of your franchise for 2 years, subject to state law.
S.	Modification of the agreement	Section XXII(A)	The Agreement may not be modified or amended except by written instrument signed by each of the parties hereto, expressing such amendment or modification, subject to state law.

Pro	ovision	Section in Franchise Agreement	Summary
t.	Integration/mer ger clauses	Section XXII(A)	The Agreement, together with the exhibits attached hereto, constitutes the entire Agreement between the parties hereto and supersedes any prior agreements between such parties except those disclosures which are included in the Franchisor's now current Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Article XX	You and we must settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation before resorting to litigation or other dispute resolution procedures. The mediation proceedings will take place at the American Arbitration Association location nearest Franchisor's principal place of business (presently Horry County, South Carolina). Any claim or controversy arising out of or related to this Agreement must be settled by mandatory binding arbitration in Horry County, South Carolina.
v.	Choice of forum	Section XXII(D)	Any and all suits, actions or other proceedings with respect to, arising out of, or in connection with this Agreement shall be litigated in courts having a situs within Horry County, South Carolina (subject to applicable state law).
w.	Choice of law	Section XXII(D)	The state of South Carolina (subject to applicable state law).

A provision in your Franchise Agreement that terminates the franchise on your bankruptcy may not be enforceable under federal bankruptcy law.

Area Development Relationship

Pr	ovision	Section in Franchise Agreement	Summary
a.	Term of the franchise	Article VI	The term ends in accordance with the Development Schedule.
b.	Renewal or extension of the term	None	Not applicable
c.	Requirements for you to renew or extend	None	Not Applicable
d.	Termination by you	None	Not Applicable Franchisee may seek termination upon any ground available by state law
e.	Termination by us without cause	None	Not Applicable
f.	Termination by us with cause	None	We can terminate only if you default. We can terminate the Area Development Agreement if the Franchise Agreement is terminated. Termination of the Area Development Agreement is not cause for terminating the Franchise Agreement.
g.	"Cause" defined defaults which can be cured	None	Not Applicable
h.	"Cause" defined defaults which cannot be cured	Section VII(A)	We may terminate the agreement if you fail to pay any initial franchise fee or execute any Franchise Agreement by any Fee Deadline specified in the Development Schedule; you fail to have opened and maintained in continuous operation the minimum number of 810 Entertainment Franchised Businesses specified in the Development Schedule by any

Pro	ovision	Section in Franchise Agreement	Summary
			Opening Deadline specified in the Development Schedule; A default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or you breach or otherwise fail to comply fully with any other provision contained in this Area Development Agreement or any other agreement between the Franchisor and/or its Affiliates.
i.	Your obligations on termination or nonrenewal	None	Not Applicable
j.	Assignment of contract by us	Section VIII(A)	We have the right to transfer or assign all or any part of our rights and/or obligations to any person or legal entity.
k.	"Transfer" by you – definition	Section VIII(B)	Transfer includes any voluntary or involuntary sale, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest voluntarily or involuntary therein or in Franchisee or Franchisee assets.
I.	Our approval of transfer by franchisee	Section VIII(B)	We have the right to approve all transfers but may not unreasonably withhold consent.
m.	Conditions for 810 Franchise Concepts, LLC approval of transfer	Section VIII(B)	All outstanding obligations related to the Franchised Business must be paid; transferor's right to receive compensation must be subordinated and secondary to our rights. The transferee must sign written assumption; the transferee must meet 810 Entertainment standards, and you or the transferee must pay a transfer fee, subject to state law.

Pr	ovision	Section in Franchise Agreement	Summary
n.	Our right of first refusal to acquire your business	Section VIII(C)	If we elect to purchase an interest under a bona fide offer for purchase, closing will occur within 90 days after the date of our notice to the seller electing to purchase the interest. If we do not elect to purchase such interest within the 30-day period, you may sell or transfer their offered interests to a third party, provided that such sale or transfer: (i) is made within 90 days after we give notice of its election, (ii) is made at a price and on the same material terms as those offered to us, and (iii) is made in full compliance with all applicable requirements of this Agreement.
ο.	Our option to purchase your business	None	Not Applicable
p.	Your death or disability	None	Not Applicable
q.	Noncompetition covenants during the term of the franchise	Section IX(c)	No involvement in a competing business; cannot assist or deal with a competing business; cannot infringe on another franchisee's territorial rights; and cannot employ ours or another franchisee's employees.
r.	Noncompetition covenants after the franchise is terminated or expires	Section IX(B)	No involvement in a competing business for 2 years in, or within 25 miles of any 810 Entertainment; no solicitation of customers of your franchise for 2 years, subject to state law.
S.	Modification of the agreement	Section X(B)	The Agreement may not be modified or amended except by written instrument signed by each of the parties hereto, expressing such amendment or modification, subject to state law.

Pro	ovision	Section in Franchise Agreement	Summary
t.	Integration/merg er clauses	Section X(B)	The Agreement, together with the exhibits attached hereto, constitutes the entire Agreement between the parties hereto and supersedes any prior agreements between such parties except those disclosures which are included in the Franchisor's now current Franchise Disclosure Document. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representation made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	None	Not Applicable
v.	Choice of forum	Section X(E)	Any and all suits, actions or other proceedings with respect to, arising out of or in connection with this Agreement shall be litigated in courts having a situs within Horry County, South Carolina (subject to applicable state law).
w.	Choice of law	Section X(E)	South Carolina (subject to applicable state law)

A provision in your Area Development Agreement that terminates the agreement on your bankruptcy may not be enforceable under federal bankruptcy law.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a

reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Below are the Total Revenue and Total Revenues per square footage of the company-owned and franchise outlets there were open for the full year in 2022, 2023, and 2024.

There was of the one company-owned outlet that closed in 2022, 1 franchise outlet in 2023, and 3 franchise outlets in 2024 that opened. These outlets were not open for the full year and are not included in the table below.

There are no material differences between the outlets in this financial performance representation, and Franchises offered in this disclosure document.

	Compan	y-Owned	Outlets	Franchise	e Outlets	
	2024	2023	2022	2024	2023	2022
Lowest Total Revenue	1,664,186	1,865,060	1,766,636	1,065,711	1,955,360	-
Highest Total Revenue	3,052,108	3,327,780	3,476,751	1,582,137	1,955,360	-
Median Total Revenue	2,137,060	2,990,841	2,355,174	1,323,924	1,955,360	-
Average Total Revenue	2,320,936	2,719,032	2,397,790	1,323,924	1,955,360	-
Number of Outlets	5	5	5	2	1	-
Number of Outlets that met or exceeded the Average Total Revenue	2	3	3	1	1	ı
Lowest Total Revenue per Square Footage	77.06	90.37	81.37	60.90	95.38	-
Highest Total Revenue per Square Footage	138.73	195.75	138.54	77.18	95.38	-
Median Total Revenue per Square Footage	107.37	119.94	107.09	69.04	95.38	-
Average Total Revenue per Square Footage	106.89	127.51	109.19	69.04	95.38	-
Number of outlets per Square Footage	5	5	5	2	1	-

Number of outlets that							
met or exceeded the							
Average Total Revenue							
per Square Footage	3	2	2	1	1	-	

Our management prepared this financial performance representation based on financial reports provided to us by franchisees and historical company-owned records. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

The term "Total Revenue" means gross sales tax, discounts, allowances, and returns.

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

Other than the preceding financial performance representation, 810 Franchise Concepts, LLC, does not make any financial performance representations. 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 Michael Siniscalchi at 1220 Moser Dr., Myrtle Beach, South Carolina 29577 or by telephone at (631) 258-9721, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1 SYSTEMWIDE OUTLET SUMMARY For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2022	0	1	+1
Franchised Outlets	2023	1	2	+1
	2024	2	5	+3
C	2022	6	5	-1
Company-Owned	2023	5	5	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2024	5	5	0
	2022	6	6	0
TOTAL OUTLETS	2023	6	7	+1
	2024	7	10	+3

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(Other than Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
	2022	0
All States	2023	0
	2024	0
	2022	0
TOTAL	2023	0
	2024	0

Table No. 3
STATUS OF FRANCHISED OUTLETS
For Years 2022 to 2024*

	101 16413 2022 10 2021									
State	Year	Outlets at Start of Year	Outlets Opened	Termin ations	Non- Renewal s	Reacquire d by Franchisor	Ceased Operations Other Reason	Outlets at End of the Year		
	2022	0	1	0	0	0	0	1		
Arkansas	2023	1	0	0	0	0	0	1		
	2024	1	0	0	0	0	0	1		
	2022	0	0	0	0	0	0	0		
Florida	2023	0	0	0	0	0	0	0		
	2024	0	2	0	0	0	0	2		
	2022	0	0	0	0	0	0	0		
New Jersey	2023	0	0	0	0	0	0	0		
	2024	0	1	0	0	0	0	1		
_	2022	0	0	0	0	0	0	0		

State	Year	Outlets at Start of Year	Outlets Opened	Termin ations	Non- Renewal s	Reacquire d by Franchisor	Ceased Operations Other Reason s	Outlets at End of the Year
South	2023	0	1	0	0	0	0	1
Carolina	2024	1	0	0	0	0	0	1
	2022	0	1	0	0	0	0	1
TOTAL	2023	1	1	0	0	0	0	2
	2024	2	3	0	0	0	0	5

^{*} If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Where a franchise territory covers more than one state, the franchise, for purposes of this table, is assigned to the state where it has the bulk of its operation, which is not necessarily the same state shown in the business address in the list of franchisees, EXHIBIT I.

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Arizona	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
South Carolina	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Texas	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
	2022	6	0	0	1	0	5
TOTAL	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5

Table No. 5
PROJECTED OPENINGS
As of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
AL	1	1	0
CA	3	1	0
FL	3	0	0
NJ	2	0	0
SC	1	0	0
TN	1	0	0
TX	2	1	0
NC	1	0	0
VA	1	1	0
TOTAL	15	4	0

The number of new franchised locations projected to be opened in the next fiscal year, as presented in the table above, is an estimate based on the best information we have as of the date of this disclosure document. There is no assurance that the actual number of openings, or the states in which we projected the openings, will be the same as our estimates.

A list of the names, addresses, and telephone numbers of all 810 Entertainment franchisees is attached to this disclosure document as EXHIBIT G. A list of the names, last known home

addresses, and telephone numbers of every 810 Entertainment franchise who has had their franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the date of this disclosure document, is attached to this disclosure document as EXHIBIT H. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with 810 Entertainment. You may wish to speak with current and former franchisees but be aware that not all of those franchisees will be able to communicate with you. Some Franchisees have signed confidentiality clauses during the last three years. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Our Franchise Advisory Council has not been established as of the date of this document.

As of the date of this disclosure document, there are no other trademark-specific franchisee organizations associated with the 810 Entertainment franchise system that we have created, sponsored, or endorsed, and there are no independent trademark-specific franchisee organizations that have asked to be included in our disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Our audited financials as of December 31, 2022, December 31, 2023, and December 31, 2024, are attached to this disclosure document as EXHIBIT I.

Our fiscal year ends on December 31.

ITEM 22. CONTRACTS

The following exhibits to this disclosure document are the contracts used by us in offering franchises:

EXHIBIT A FRANCHISE AGREEMENT

EXHIBIT B AREA DEVELOPER AGREEMENT

EXHIBIT C PERSONAL GUARANTY

EXHIBIT D RESTRICTIVE COVENANT AGREEMENT

EXHIBIT E POWER OF ATTORNEY TO ASSIGN TELEPHONE NUMBER

ITEM 23. RECEIPT

The last page of this disclosure document is a detachable document that you must sign to acknowledge your receipt of this disclosure document.



EXHIBIT A. FRANCHISE AGREEMENT

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

1		
	Franchise Agreement	
	_	
	BETWEEN	
	DEIWEEN	
	810 FRANCHISE CONCEPTS, LLC	
	FRANCHISOR	
	AND	
	FRANCHISEE	
	FRANCHISEL	
		
	Location (Common Territory Name)	
	DATED	

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Exhibits

- **EXHIBIT 1. IDENTIFICATION OF FRANCHISEE**
- EXHIBIT 2. SITE AND TERRITORY EXHIBIT 3. AUTHORIZATION FOR ELECTRONIC TRANSFER OF FUNDS
- **EXHIBIT 4. SITE SELECTION ADDENDUM**

810 Entertainment FRANCHISE AGREEMENT

THIS F	RAN	ICHISE AG	REEMENT (t	he Agreem	ent), made	by and betw	een 810) Franchise Cond	cepts,
LLC,	а	South	Carolina	limited	liability	company	(the	Franchisor),	and
			,	a(n)				_ (the Franchise	e) on
the da	ate	signed he	rein by the	franchisor	herein			(the Effe	ective
Date).									

WITNESSETH:

WHEREAS Franchisor has dedicated time, skill, effort, and money to create and develop and continues to develop a system (the System) for the establishment and operation of a distinctive type of business (referred to as an 810 Entertainment or the Franchised Business) that offers bowling, gaming, entertainment, and bar services; and

WHEREAS, the System consists of distinctive methods and procedures for marketing and advertising; specially designed business forms and procedures for the efficient operation of the Franchised Business; an operations manual (the Manual); and specially designated equipment, techniques, and procedures for the promotion and provision of Franchisee's services; and

WHEREAS, Franchisor has invested substantial amounts of money in developing, and continues to develop, use and control the use of the marks 810 Entertainment design, stylized, any derivatives thereof, and certain other trade names, business names, service marks, trademarks, logos, designs and trade symbols (collectively referred to as the Marks) to identify to the public the source of services marketed thereunder and through the 810 Entertainment System and to represent the 810 Entertainment uniform and high standards of quality; and

WHEREAS, Franchisor has applied to register the mark 810 Entertainment with the United States Patent and Trademark Office, and claims the exclusive right to use all of the Marks and any derivatives thereof in connection with the operation of the 810 Entertainment System, as are now or may from time to time be designated in writing by Franchisor for use in connection with the operation of the System, and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high standards of quality and service, the necessity of opening and operating the Franchised Business in conformity with Franchisor's standards and specifications as presented in Franchisor's Manual and updates, and preserving the confidentiality of the System; and

WHEREAS, Franchisee has applied for a license to operate an 810 Entertainment Franchise. In reliance upon all of the representations made by Franchisee in the application and in this Agreement, Franchisor has approved Franchisee's application;

NOW, THEREFORE, in consideration of the above Recital, which is incorporated herein as if fully rewritten, and the mutual promises contained herein, the parties agree as follows:

I.APPOINTMENT

A. Grant of Franchise

Franchisor grants to Franchisee the right to operate an 810 Entertainment Franchised Business under the System and the Marks and using the system standards set (referred herein as "System Standards" which include the terms of this Agreement, the Manual (as defined here), other directives provided by Franchisor) at the location (the Site) and in the geographic area specified in the Territory Addendum attached as Exhibit 2, which thereby constitutes the collectively Franchised Business Territory (the "Territory") to offer and sell Permitted Products and Services (as defined herein) within the Territory in accordance with this Agreement.

Franchisee shall only solicit customers and accept orders within the Territory and from the Site as defined herein. Franchisee shall not have the right to use other channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of the Territory unless Franchisor gives Franchisee written consent to serve another specified area where no other 810 Entertainment franchise or company-owned unit is located. If Franchisor does so grant consent to service another specified area, Franchisee shall be obligated to a pay royalty fees and other fees to Franchisor for the services performed or products sold.

B. Franchisor Restrictions

Provided that Franchisee is not in breach of this Agreement, and except as otherwise set forth herein, Franchisor shall not establish or franchise another to establish, an 810 Entertainment within the Territory If for any reason the boundaries of the Territory are moved, altered, or eliminated, Franchisor shall re-define the boundaries of the Territory to correspond as nearly as possible, in Franchisor's discretion, to Franchisee's original Territory, and Franchisor's decision shall be final and binding upon both Franchisor and Franchisee.

C. Reserved Rights

Franchisor specifically reserves all rights not expressly granted to Franchisee in this Agreement. Without limiting the generality of the preceding sentence, Franchisor has the right to:

- 1. Own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, outside the Territory.
- 2. Acquire a system of Competitive Businesses (as defined herein) with units located within the Territory or outside the Territory, subject to the provisions of this Agreement.
- 3. Sell or franchise others to sell the services and products authorized for 810 Entertainment Franchised Business using the Marks or other trademarks, service marks and commercial symbols through alternate channels of distribution, venues, site or location models other than model concept of your Franchised Business (real property space, joint marketing with partner companies, direct mail, catalogue sales, Internet sites and co-branding strategies, pursuant to such terms and conditions as Franchisor deems appropriate.
- 4. Offer and sell the services and products authorized for Franchised Business using the

Marks or other trademarks, service marks and commercial symbols to Special Accounts as defined and a per the conditions set forth in this Agreement.

5. Own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, in Special Venues as defined in this Agreement.

D. Special Venues

Franchisor, its affiliates or a franchisee or licensee may own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks in any temporary or permanent venue where there is a captive audience and where the primary purpose is other than patronizing an 810 Entertainment business (referred herein as a "Special Venue"), in the way of examples, but not an exhaustive list: malls, entertainment and sports centers, military bases, transportation facilities, supermarkets, service stations, and carnivals within the Development Area or outside of the Territory.

E. Special Accounts

The Franchisor has the exclusive right to contract with customers whose offices, stores, plants, buildings, or other physical facilities are not confined to the territory of a single 810 Entertainment territory or the trading area of a single Franchise, Franchisor-owned or Affiliate-owned business (referred to herein "Special Accounts"). If Franchisor establishes a contract for facilities of a Special Account located in the Territory, Franchisor shall offer Franchisee the first option of providing the services to the Special Account at those facilities in the Territory at the prices and subject to the contract requirements negotiated by Franchisor with the Special Account. If Franchisee accepts the project, Franchisor will collect all amounts due from the Special Account and remit to Franchisee the amount due for products and services rendered Special Account, less the amount of Royalties and other fees due under this Agreement. All amounts collected from Special Accounts on Franchisee's behalf or by Franchisee from Special Accounts will be included in Franchisee's Gross Revenues for purposes of calculating Royalties other fees due under this Agreement.

If Franchisee declines to accept the project, Franchisor will have the unfettered right to fulfill the contract requirements to the Special Account in the Territory in any manner it deems suitable, including through another 810 Entertainment Franchisee, a Franchisor or Affiliate-owned business, or a third-party contractor. Additionally, if at any time a Special Account for any reasonable requests that services in the Territory be provided by someone other than Franchisee, Franchisor may revoke Franchisee's option or right to provide or continue to provide the services and may fulfill the contract requirements of the Special Account in the Territory in any manner Franchisor deems suitable.

F. Acquisition of Competing System

If Franchisee is in compliance with this Agreement and Franchisor acquires a system of Competitive Businesses (an "Acquired System") during the term of this Agreement, the following terms apply:

- 1. Franchisor shall offer Franchisee the option to purchase and operate, as an 810 Entertainment Franchise, any unit of the Acquired System (an "Acquired Unit") that is both purchased by Franchisor for operation by Franchisor or an Affiliate (e.g., the unit will not be operated by a licensee of the Acquired System) and is located within the Territory. Franchisor shall provide Franchisee with written notice of Franchisor's purchase of the Acquired System, the terms and conditions applicable to Franchisee's option to purchase Acquired Units, and such other information that Franchisor deems necessary to be included in the notice. The terms and conditions offered to Franchisee will include, without limitation, the following: (i) the purchase price of the unit; and (ii) the requirement that Franchisee enter into Franchisor's thencurrent form of the franchise agreement for the Acquired Unit, provided that Franchisee shall not be required to pay an Initial Franchisee Fee for an Acquired Unit. If Franchisee does not elect to purchase or fails to complete the purchase of, an Acquired Unit within two (2) months after its receipt of the notice, Franchisor has the right to operate itself, or through an Affiliate or third-party licensee, the Acquired Unit under any trade name or trademark other than the Marks.
- 2. Franchisee has no right to purchase, and Franchisor is not obligated to offer Franchisee any option to purchase, any Acquired Unit that is operated by a licensee under the Acquired System. Franchisor may license such unit to be operated under any trade name or trademarks other than the Marks and may also license additional units of the Acquired System to be developed and operated within the Territory.

II.TERM AND RENEWAL

A.Initial Term

Except as otherwise provided, the term of this Agreement shall be for a period of 10 years commencing on the date set forth on the cover hereof.

B.Renewal

Upon the expiration of the initial term or any renewal term hereof, Franchisee may, at its option, renew this Agreement for an additional term of 10 years (the "Successor Franchise"), provided that at the end of each term:

- 1. Franchisor is still offering Franchises at the time of each renewal period;
- 2. Franchisee has given Franchisor written notice of its election to renew not less than six (6) months, but not more than one (1) year, prior to the end of the preceding term;
- **3.** Franchisee is not in default under any provision of this Agreement, any amendment or successor thereto, or any other agreement or instrument between Franchisee and Franchisor

or its affiliates, approved suppliers of the System and had substantially complied with all of the terms and conditions of all such agreements during the then current terms;

- **4.** Franchisee has access to and the right to remain in possession of the Site, or a suitable substitute location that is approved by Franchisor and meets Franchisor's then-current specifications and standards, for the entire term of the Successor Franchise.
- **5.** Franchisee shall refurbish the Franchised Business to conform to the then-current trade dress, color schemes, and presentation of the Marks and Systems Standards;
- **6.** Franchisee executes Franchisor's then-current form of franchise agreement and all other agreements and contracts that normally and customarily signed by franchisees, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, different royalty and National Advertising Contributions; provided, however, the agreement offered Franchisee upon renewal shall not require Franchisee to pay the initial franchise fee again;
- 7. Franchisee must pay Franchisor a Successor Franchise Fee of \$20,000 at the same time that Franchisee gives Franchisor the written request required by this Section. If Franchisor refuses to grant Franchisee a Successor Franchise, Franchisor shall, at the same time Franchisor notifies Franchisee of the refusal, refund the Successor Franchise Fee paid by Franchisee. The Successor Franchise Fee is not refundable under any other circumstances; and
- **8.** Franchisee shall comply with Franchisor's then-current qualification and training requirements, including, without limitation, any training requirements specifically designated for renewing Franchisees.

C. Interim Term

If Franchisee does not execute a Successor Agreement before the expiration of the Agreement and Franchisee continues to accept the benefits of this Agreement after the expiration, then at Franchisor's option, this agreement may be treated either as: (i) expired as of the expiration date, with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis (the "Interim Term") until terminated by either party with at least one month written notice. In the latter case, all of Franchisee's obligations will remain in full force and effect during the Interim Term as if this agreement had not expired, except Royalty Fees, and all other Fees shall be at the Franchisor's then-current rates and amounts plus an additional 2% royalty on gross revenues, and all obligations and restrictions imposed on Franchisee upon the expiration of this agreement will be deemed to take effect upon termination of the Interim Term. Except as described in this paragraph, Franchisee has no rights to continue to operate the Franchised Business following the expiration of the Initial Term. If any applicable Franchise Law requires a longer notice period, the one-month period will be deemed modified to be the shortest notice period required by the Franchise Law.

III.INITIAL AND ON-GOING FEES

A.Initial Franchise Fee

Franchisee shall pay Franchisor an initial franchise fee of \$50,000 in cash or by check, money order, or bank draft. The initial franchise fee is fully earned, due and payable to Franchisor upon the execution of this Agreement, in consideration of, among other things, the administrative and other expenses incurred by Franchisor in furnishing items to Franchisee as described herein and for Franchisor's lost or deferred opportunity to franchise to others. Except as provided in below, the initial franchise fee is not refundable.

B. Royalty Fee

Following the commencement of the Franchised Business and in consideration of Franchisee's continued right to utilize the System and the Marks and Franchisor's ongoing assistance as described herein, Franchisee shall pay Franchisor a fee each week (the "Royalty Fee") of 5% of Gross Revenue. Royalty Fees are due and payable by the Monday of each week based upon Franchisee's Gross Revenues for the preceding calendar week. Franchisee shall also pay all federal, state and local sales or use taxes that may be levied or assessed, in whole or in part, on the Royalty Fees payable to Franchisor, regardless of whether such taxes be assessed against or payable by Franchisor or Franchisee.

C. National Advertising Contributions

Franchisee shall contribute to such national advertising fund as Franchisor may establish for advertising for the System, a National Advertising Contribution equal to 1% of Gross Revenues of Franchisee's Gross Revenues (the National Advertising Contribution). National Advertising Contributions are due and payable by Monday of each week based upon Franchisee's Gross Revenues for the preceding calendar week. Franchisee shall also pay all federal, state and local sales or use taxes that may be levied or assessed, in whole or in part, on the National Advertising Contributions payable to Franchisor, regardless of whether such taxes be assessed against or payable by Franchisor or Franchisee.

D. Late Payments

Franchisee shall pay Franchisor a late fee of \$50 plus interest at of the rate of 15% for each Royalty Fee or National Advertising Contribution payment that is not received by Franchisor within five (5) days after the due date or the highest rate allowed by law, whichever is lower, from the date payment is due to the date payment is received by Franchisor, regardless of any subordinate agreement that may be in effect to postpone payment of fees.

E. Gross Revenues

The term "Gross Revenues", as used in this Agreement, shall mean all sales and other income (recognized on an accrual basis), whether cash or credit or barter for exchange (regardless of collection in the case of credit), arising from the operation of the Franchised Business, less (i) all refunds and discounts made to customers in good faith and in accordance with Franchisor's

policies, and (ii) any sales or excise taxes that are separately stated and that Franchisee may be required to and does collect from customers and pays to any federal, state, or local taxing authority.

F. Method of Payment

Franchisee agrees to remit fees and any other amounts due Franchisor hereunder via electronic funds transfer or other means as Franchisor may stipulate. Franchisee agrees to execute and deliver to Franchisor an authorization for electronic transfer of funds (in the form attached hereto as Exhibit 5 or such other form as Franchisor may accept) for direct debits from Franchisee's business bank operating account, and to comply with procedures specified by Franchisor and perform such acts as may be necessary to accomplish payment by electronic fund transfer. Franchisee authorizes Franchisor to initiate debit entries and/or credit correction entries to a designated checking account for payment of royalties, or any other fees and amounts payable to Franchisor, including, but not limited to, attorney fees, interest, and late fees. Franchisee shall make funds available to Franchisor for withdrawal by electronic transfer no later than the due date for payment therefor. If Franchisee has not timely reported Franchisee's Gross Revenues to Franchisor for any reporting period, then Franchisor shall be authorized to debit Franchisee's account in an amount equal the Royalty Fees and other fees and amounts payable by Franchisee for the last reporting period for which a statement of operations was received from Franchisee. Nothing contained in this paragraph shall be construed to waive Franchisee's obligations to submit any reports, records or other materials required by this Agreement, or waive any remedy available to Franchisor for Franchisee's failure to make timely payments.

IV. OPENING OF FRANCHISED BUSINESS

A.Site

Franchisee shall solely operate the Franchised Business from a real property space that is approved by and meets Franchisor's then site requirements (Site) and is identified in Exhibit 2 to this Agreement.

Franchisee acknowledges and agrees that Franchisor's approval of the Site is solely based upon the Site conforming to System Standards and is not intended as and should not be interrupted as an opinion, Testament, or assurances regarding the success or profitability of the specific Site.

Franchisee may relocate the Site of the Franchised Business so long the new Site meets Franchisor's then-current Site requirements and is approved by Franchisor and Franchisee reimburses Franchisor for any costs and expenses incurred by Franchisor in the Franchised Business relocation.

B.Schedule of Equipment

Franchisor shall provide, at no charge to Franchisee, a schedule of all equipment necessary to operate the Franchised Business.

C. Franchisee Obligations

Franchisee shall comply with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design, and operation of the Franchised Business. In the event Franchisee receives any complaint, claim, or other notice alleging a failure to comply with the ADA, Franchisee shall provide Franchisor with a copy of such notice within five days after receipt thereof.

D. Opening Date

Franchisee shall complete all pre-opening requirements hereunder before opening the Franchised Business, and Franchisee shall open the Franchised Business, in accordance with the requirements contained herein, in the Manual, and/or elsewhere in writing by Franchisor, not later than 18 months after the execution of this Agreement. Time is of the essence.

E. Notice and Franchisor's Final Inspection Approval

In connection with the opening of the Franchised Business, Franchisee shall provide at least thirty (30) days prior notice to Franchisor of the date on which Franchisee proposes first to open the Franchised Business for business. Franchisee agrees not to open Franchised Business without first obtaining Franchisor's final written inspection approval.

V.TRAINING AND ASSISTANCE

A.Initial Training

Prior to opening the Franchised Business, you and General Manager and Kitchen Manager shall attend and successfully complete, to Franchisor's satisfaction, the initial training program offered by Franchisor at a location designated by Franchisor. If any required attendee does not satisfactorily complete such training, Franchisor may require that a replacement person attends and successfully complete, to Franchisor's satisfaction, the initial training program.

Franchisee acknowledges that the grant of the franchise under this Agreement is conditioned upon the successful completion of Franchisor's initial training program by Franchisee or if Franchisee is other than an individual, the Designated Manager. If, during the course of the initial training program or within fifteen (15) days thereafter, Franchisor concludes that Franchisee or the Designated Manager, as the case may be, has not exhibited the aptitude, abilities, or personal characteristics necessary or desirable to successfully operate an 810 Entertainment Franchised Business in accordance with the standards and procedures of the 810 Entertainment Methods and the System, Franchisor may, in its sole discretion and judgment, cancel this Agreement and all rights hereunder by giving notice to Franchisee. Upon the cancellation of this Agreement pursuant to this paragraph, Franchisee shall return to Franchisor the Manual and all other materials, information, and other items that Franchisee received from Franchisor, including all copies thereof and notes thereon. Franchisee agrees to maintain the confidentiality of all information strictly received relating to the 810 Entertainment Method and not to use, in connection with the offering or selling of bowling, gaming, entertainment, and bar services, or similar business, any trade secrets or confidential information obtained from Franchisor.

B. Training of Replacement Personnel

If Franchisee's Designated Manager or Franchised Business Manager ceases active employment in the Franchised Business, Franchisee shall designate a new Designated Manager who meets Franchisor's then-current training requirement and is approved by Franchisor within a reasonable amount of time after the cessation of such former Designated Manager's employment, but no later than forty-five (45) days. Franchisor reserves the right to review any Franchisee-trained personnel and require that such persons attend and complete, to Franchisor's satisfaction, the initial training programs offered by Franchisor at a location designated by Franchisor.

C. Ongoing Training.

Franchisor may also require that Franchisee (and/or its Designated Manager), employees, and contractors attend such refresher courses, seminars, and other training programs as Franchisor may reasonably require from time to time.

D. Annual Meeting

Franchisor may require Franchisee (or if Franchisee is other than an individual, the Designated Manager) to attend a regional or national meeting of 810 Entertainment franchisees at a location within the United States designated by Franchisor. Franchisor reserves the right to charge Franchisee a fee for such meetings. This provision shall not be construed to require Franchisor to hold, provide, sponsor, host, or organize any such meetings.

E. Continuing Assistance

Franchisor will provide Franchisee, at no charge to Franchisee, periodic and continuing advisory assistance with technical, operational, sales, personnel, accounting, or other issues affecting the day-to-day operation of the Franchised Business in such manner and frequency as Franchisor deems advisable.

F. Training Costs

For all training courses, seminars, and programs, Franchisor shall provide instructors and training materials, provided that Franchisor reserves the right to charge a fee for a refresher, remedial, and additional training it provides. Franchisee shall bear the cost of all other expenses for its attendees during the training period, including, without limitation, the costs of transportation, lodging, meals, wages, and workers' compensation insurance.

VI.SYSTEM STANDARDS

A.Standards

Franchisee acknowledges and agrees that every detail of the System is important, not only to Franchisee but also to Franchisor and other 810 Entertainment franchisees, in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services offered by all franchisees, to establish and maintain a reputation for uniform, efficient, high quality products and services, and to protect the goodwill of all 810 Entertainment franchises. Franchisee further acknowledges and agrees that a fundamental requirement of the System, this Agreement, and other 810 Entertainment franchises are adherence by all Franchisees to the uniform specifications, standards, operating procedures and rules prescribed by Franchisor for the development and operation of the Franchised Business (collectively referred to as System Standards). Accordingly, Franchisee agrees to comply with each and every System Standard, as periodically modified and supplemented by Franchisor in its sole and absolute discretion, during the term of this Agreement. Franchisee further agrees that System Standards prescribed from time to time in the Manual or otherwise communicated to Franchisee in writing shall constitute provisions of this Agreement as if fully set forth in this Agreement. All references to this Agreement include all System Standards is periodically modified. Franchisee agrees to comply with System Standards and not to deviate from Franchisor's specifications, or procedures.

B. Supplier Approval

Franchisee shall purchase all supplies, equipment, marketing materials, and other products and materials required for the operation of the Franchised Business as the Franchisor designates from time to time solely from vendors and suppliers who demonstrate to Franchisor's continuing reasonable satisfaction the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved, in writing, by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval or shall request the supplier itself to do so. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, at Franchisor's option, either to Franchisor or to an independent certified laboratory designated by Franchisor, for testing, and the actual cost of the tests shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier, and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's criteria. Franchisor may charge a reasonable fee for inspection, review, and approval of suppliers. Franchisor may revoke supplier approval at any time for any reason upon notice to the franchise.

C. Products and Services

Franchisee shall offer and sell all products and services, and only those products and services, authorized by Franchisor and specified in the Manual or as designated in writing by Franchisor

(the "Permitted Products and Services"). Franchisor may unilaterally add and delete products or services to or from the Permitted Products and Services at any time. Franchisor may also designate any products or services as optional.

D. Pricing

Franchisor has the right to provide recommended and suggested pricing for the Franchised Business products and services.

E. Promotions

Franchisee shall fully participate, honor, and comply with any and all System, local, regional, seasonal, promotional and other programs, initiatives and campaigns adopted by Franchisor that Franchisor requires Franchisee to participate in.

F. Fixtures and Furnishings

Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, signs, communication and information system, and other equipment as may be specified by the System Standards from time to time; and shall not permit the installation of any fixtures, furnishings, signs, communication and information system, or other equipment not conforming to the System Standards.

G. Maintenance Standards

Franchisee shall at all times maintain the Franchised Business in a high degree of cleanliness, repair, and condition, and in connection therewith and shall make such additions, alterations, repairs, and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, fixtures, equipment, and décor as Franchisor may direct.

H. Refurbishing

At the request of Franchisor, which may be made once every (2) years during the term of this Agreement (excluding any periods of renewal of the franchise rights, for which additional refurbishment may be required), Franchisee shall refurbish the Franchised Business at its own expense to conform to the trade dress, color schemes, and presentation of the Marks in a manner consistent with the image then in effect for the new 810 Entertainment Franchised Business under the System. Such refurbishment may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements. Franchisee shall complete the refurbishing within the time period specified by Franchisor.

I. Variance

Franchisee acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege to vary System Standards for any 810 Entertainment Franchisee based upon any condition that Franchisor deems to be of importance to the successful operation of such franchisee's business.

VII.FRANCHISED BUSINESS OPERATIONS

A.Business Operation

After opening, Franchisee shall maintain the Franchised Business in continuous operation during all normal business hours as provided for in the Manual during the term of this Agreement. Franchisee shall use its best efforts to promote and develop the market for the Permitted Products and Services. The Franchised Business must at all times be under the direct supervision of Franchisee, the Designated Manager, or the Franchised Business Manager, who must devote his/her full time and energy to the operation of the Franchised Business is approved by Franchisor and has successfully completed Franchisor's initial training.

B.Inspection

To ensure compliance with this Agreement and System Standards, Franchisor or its designated agents have the right, at any reasonable time and without prior notice, to (i) inspect the Franchised Business; (ii) observe Franchise Owner and its employees during the performance of work; (iii) confer with the Franchise Owner and its employees; (iv) contact and interview customers and suppliers/distributors of Franchise Owner; (v) inspect, inventory, and check any and all inventory, equipment, signage, fixtures, furniture and operating methods of the Franchise Owner; (vi) test products and supplies; and (vii) conduct online or other surveys and secret shoppers, including tape-recorded and interviews. Franchisor may require that Franchisee furnishes its customers with an evaluation form specified by the Franchisor preaddressed to the Franchisor. Franchisee agrees to fully cooperate with representatives of the Franchisor making any inspection or observing or evaluating the work of Franchisee or its employees. If any inspection conducted by Franchisor or its designee reveals that the Franchised Business fails to meet System Standards, Franchisor may charge the then current standard re-inspection fee. Franchisee's failure to achieve or exceed System Standards in two (2) inspections in any twenty (24) month period is a material breach of this agreement, for which Franchisor, in addition to its other legal and equitable remedies, may terminate this Agreement, refuse to renew the Franchise granted under this agreement, or reduce the geographic size of the Territory.

C. Payment of Liabilities

Franchisee shall at all times pay its distributors, lessors, contractors, suppliers, trade creditors, employees, and other creditors promptly as the debts and obligations to such persons become due and hold Franchisor harmless therefrom. Franchisee's failure to do so shall constitute a breach of this Agreement. In the event Franchisee shall fail to pay any such obligations promptly as the debts to such persons or entities become due, Franchisor shall, in addition to

its other remedies provided in this Agreement, have the right, at its election and without being obligated to do so, to pay such obligations and the amount or amounts paid therefor shall be paid by Franchisee to Franchisor with the next succeeding payment due Franchisor under this Agreement, together with interest at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee.

D. Payment of Taxes

Franchisee shall at all times pay its taxes on real and personal property, leasehold improvements, and fixtures and equipment, and all sales, payroll and other taxes promptly when due and hold Franchisor harmless therefrom. Franchisee's failure to do so shall constitute a breach of this Agreement. All taxes shall be paid directly to the taxing authorities prior to the delinquent date. If any taxes become delinquent, Franchisor may elect to pay the delinquent tax on behalf of Franchisee, together with penalties and interest, if any, and Franchisee agrees, upon demand of Franchisor, to reimburse Franchisor for any sums so paid by Franchisor, together with interest at the rate of eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee.

E. Compliance with Law

Franchisee agrees to comply with all laws, regulations, and requirements of federal, state, municipal, and other governmental entities and agencies (including, but not limited to, Title VII of the Civil Rights Act, the ADA, the Age Discrimination in Employment Act, and any other federal, state or local employment laws relating to occupational hazards and health, consumer protection, employment discrimination, and sexual harassment), and to obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct the Franchised Business in any jurisdiction in which it operates. Franchisee agrees and acknowledges that Franchisee alone shall be responsible for compliance with the obligations under this paragraph and that Franchisor shall have no obligation with respect thereto.

F. Customer Service

Franchisee acknowledges that customer satisfaction is essential to Franchisee's success as well as the reputation and success of the Marks, the System, and other 810 Entertainment franchisees. Accordingly, Franchisee agrees to (i) use its best efforts to ensure the satisfaction of each of Franchisee's customers; (ii) use good faith and fair dealing in all dealings with customers, potential customers, suppliers, and creditors; (iii) respond to customer complaints in a courteous, prompt, and professional manner; and (iv) use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner. If Franchisee fails to resolve a dispute with a customer, for any reason whatsoever, Franchisor, in its sole discretion, may (but shall not be obligated to) investigate the matter and require Franchisee to take such actions as Franchisor deems necessary or appropriate to resolve the dispute fairly and promptly. Nothing contained in this Section, or any other provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

VIII.MANAGEMENT AND STAFFING

A. Non-Individual Franchisee

If Franchisee is other than an individual, it shall comply with the following requirements prior to its execution of this Agreement:

- 1. Franchisee shall be newly organized, and its charter, articles of organization, bylaws, partnership agreement, or operating agreement shall provide that its activities are confined exclusively to operating the Franchised Business;
- 2. Franchisee, prior to the execution of this Agreement, shall have provided Franchisor with written information as to each shareholder, member or partner of Franchisee ("Principals"), and the interest of each, on Exhibit 1 hereto, and shall promptly notify Franchisor of any changes in any such information during the term of this Agreement;
- **3.** All Principals of Franchisee shall enter into an agreement, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor;
- **4.** Each ownership certificate of Franchisee, if any, shall have conspicuously endorsed upon its face the following legend:

"The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with 810 Entertainment dated ______."

- **5.** Copies of Franchisee's articles of incorporation or organization, bylaws, partnership agreement, operating agreement, and other governing documents, including the resolutions of the Principals or Board of Directors authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval; and
- **6.** Franchisee's name shall not consist of or contain the Marks or any colorable variation thereof or any other mark in which Franchisor has or claims a proprietary interest.

B. Designated Manager

If Franchisee is other than an individual, prior to beginning the initial training program, Franchisee shall designate, subject to Franchisor's approval, an individual (the "Designated Manager") who shall be responsible for general oversight and management of the operations of the Franchised Business on behalf of Franchisee. Criteria for Franchisor's approval of the Designated Manager may include completion of the Franchisor's initial training and other criteria as stipulated by Franchisor. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Manager to have been given, by Franchisee, decision-making authority and responsibility regarding all aspects of the Franchised Business. In the event that the person designated as the Designated Manager dies, becomes incapacitated, leaves Franchisee's employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Business, Franchisee shall promptly, but no event later than forty-five (45) days, designate a new Designated Manager, subject to Franchisor's approval.

C. Franchised Business Staff

Franchisee shall maintain a competent, conscientious, trained staff (who shall have been adequately trained per Franchisor Standards) in numbers sufficient to service customers promptly and properly, including at least a trained manager (or other trained supervisory employee in accordance with the Manual) on duty at all times at which the Franchised Business is open (including daily Franchised Business opening and closing procedures), and take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe.

D. Compliance with USA Patriot Act

Franchisee certifies that neither Franchisee nor any of its Affiliates, Principals, employees or other Persons associated with Franchisee is an Embargoed Person. Franchisee shall not hire or have any dealings with an Embargoed Person or permit an Embargoed Person to hold an Ownership Interest in or position as a director or officer of Franchisee. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee or any of its Affiliates, Principals, employees or other Persons associated with Franchisee being an Embargoed Person. Franchisee shall comply with and assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws. In connection with that compliance, Franchisee certifies, represents and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its Affiliates and Principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities so stated in this agreement include Franchisee's obligations under this paragraph. Any misrepresentation by Franchisee under this paragraph or any violation of the Anti-Terrorism Laws by Franchisee, its Affiliates, Principals or employees, will constitute grounds for immediate termination of this Agreement and any other agreement between any Franchisor-Related Person and Franchisee or any of its Affiliates, Principals or employees.

IX.COMMUNICATIONS AND INFORMATION SYSTEMS

A.Computer System

To ensure the efficient management and operation of the Franchised Business and the transmission of data to and from Franchisor, Franchisee, at its own expense, shall install, prior to opening the Franchised Business, and shall maintain and utilize during the term of this Agreement, such communication and information system as may be specified by the System Standards from time to time.

1. As used in this Agreement, the term communication and information system shall mean hardware (including without limitation one or more computers and/or other computer components); software designated for the management and operation of the Franchised Business, as well as reporting and sharing information with Franchisor; and communication

systems (including, without limitation, digital and analog modems, satellite, cable, and other systems).

- 2. Franchisee shall lease and/or purchase its communication and information system only from Franchisor Approved vendor or vendors or suppliers. Franchisee shall not install, or permit to be installed, any devices, software or other programs not approved by Franchisor for use with the communication and information system.
- **3.** Franchisor may, from time to time, develop or authorize others to develop proprietary software programs for use in the System, which Franchisee may be required to purchase and/or license, and use, in connection with the Franchised Business. Franchisee agrees that it shall execute any license, sublicense, or maintenance agreement and pay any applicable fees required by Franchisor or any other approved licensor or approved vendor of such proprietary software programs.
- 4. If required by Franchisor, Franchisee shall obtain and maintain a contract with a vendor that Franchisor has approved in writing for software maintenance, support, and upgrade services for Franchisee's communication and information system and to provide Franchisee with such assistance as Franchisee and Franchisee's employees may require. Franchisee acknowledges that Franchisor may be one of or the only, approved vendor for such services, and if Franchisee obtains these services from Franchisor, then Franchisee agrees that it shall pay Franchisor the maintenance fee and help desk fee specified by Franchisor for such services. Notwithstanding these rights of Franchisor, Franchisor shall not at any time be obligated to provide any such services or support for the hardware or software used in the communication and information system.
- **5.** Franchisee shall upgrade and update its communication and information system in the manner, and when, specified by Franchisor in writing.
- **6.** Franchisee shall have the sole and complete responsibility for the manner in which Franchisee's communication and information system interfaces with other systems, including those of Franchisor and other third parties, as well as any and all consequences that may arise if Franchisee's communication and information system is not properly operated, maintained, and upgraded.
- 7. Franchisee shall: (a) promptly enter, into its communication and information system, and maintain all information required to be entered and maintained by Franchisor; (b) provide to Franchisor such reports as Franchisor may request from the data so collected and maintained, and (c) permit Franchisor to access Franchisee's communication and information system at all times via modem or other means specified by Franchisor from time to time. Franchisee shall cooperate with Franchisor and shall execute all documents required by Franchisor to permit access to Franchisee's communication and information system and data contained therein. The reporting requirements set forth in this Section shall be in addition to and not in lieu of the reporting requirements set forth otherwise in this Agreement.
- **8.** Any and all data collected or provided by Franchisee, downloaded from Franchisee's communication and information system, and otherwise collected from Franchisee's system by Franchisor and/or provided to Franchisor is and shall be owned exclusively by Franchisor, and Franchisor shall have the right to use such data in any manner that Franchisor deems

appropriate without compensation to Franchisee, including, but not limited to, the disclosure or distribution of such information to other franchisees of Franchisor, or the disclosure of such information to prospective franchisees of Franchisor, by inclusion in Franchisor's franchise disclosure document or otherwise; however, Franchisee is hereby licensed (without any additional fee) to use such data solely for the purpose of operating the Franchised Business, and such license shall automatically and irrevocably expire when this Agreement terminates or expires, without additional notice.

B. Telephone and Facsimile

Franchisee shall maintain telephone and facsimile lines and features for use exclusively by the Franchised Business as required by Franchisor in the Manual or otherwise communicated to Franchisee from time-to-time.

- 1. Prior to opening the Franchised Business and thereafter at all times during the term of this Agreement, Franchisee shall obtain and maintain an e-mail account as specified by Franchisor that is capable of receiving and sending attached files of a size specified by Franchisor in the Manual or otherwise communicated to Franchisee from time-to-time, along with an Internet connection via a commercial Internet service provider.
- 2. Franchisor shall have the right, but not the obligation, to establish a Web Site and/or other electronic system providing private and secure communications (e.g., an extranet) between Franchisor, Franchisee, other franchisees, and other persons and entities as determined by Franchisor, in its sole discretion. If required by Franchisor, Franchisee shall establish and maintain access to the extranet in the manner specified by Franchisor and shall from time to time execute such agreements and/or acknowledge and agree to comply with such policies concerning the use of the extranet as Franchisor may prepare.

X.RECORDS AND REPORTS

A.Records

During the term of this Agreement, Franchisee shall maintain and preserve, for at least seven (7) years from the date of their preparation, full, complete and accurate books and records of accounts, prepared in accordance with generally accepted accounting principles, and customer files and records pertaining to the Franchised Business granted pursuant to this Agreement, all in the form and manner prescribed by Franchisor in the Manual or otherwise in writing. In connection with its maintenance of such accounts and records, Franchisee, at its expense, shall:

- 1. Submit to Franchisor, on or before the Monday of each week during the term of this Agreement, a Gross Revenue Report and statement of operations in the form prescribed by Franchisor and certified by Franchisee or the Designated Manager, accurately reflecting Franchisee's Gross Revenues and the results of operations of the Franchised Business, respectively, during the preceding period, along with such other data or information as Franchisor may require.
- 2. Submit to Franchisor, monthly, quarterly, and/or annual financial report including balance sheets, cash flow statements, profit and loss statements, and other reports as required by Franchisor. All Reports shall be submitted timely in accordance with Franchisor's schedule,

and all reports shall be certified by Franchisee or the Designated Manager to accurately reflect, respectively, the financial condition of the Franchised Business.

- 3. Submit to Franchisor signed copies of the federal income tax returns for the previous tax year, as filed with the Internal Revenue Service, of Franchisee and of any Principal who owns an ownership interest in Franchisee greater than or equal to fifty percent, on or before April 30 of each year, or, if the taxpayer has received an extension of time to file and submits to Franchisor a signed, file-stamped copy of IRS Form 4868 or 2688, as applicable, then within fifteen (15) days after the final due date for such return, but in no event later than October 30th.
- **4.** Submit to Franchisor, for review or auditing, such other forms, reports, bank statements, customer files, records, information, and data as Franchisor may designate, in the form and at such times and places as Franchisor may request.
- **5.** Purchase and install such equipment as Franchisor may require automating the reporting of financial information and payment of recurring fees pursuant to this Agreement, including, but not limited to, Internet or intranet reporting and pre-authorization of electronic fund transfer or bank debit.

B. Franchisor Audits and Inspection

At all times during the term of this Agreement and for a period of three (3) years after the termination or expiration of this Agreement, Franchisee covenants and agrees to permit Franchisor or its designated agents at all reasonable times to examine, at Franchisor's expense and at such location as Franchisor may reasonably select, Franchisee's books and records of account, bank statements, canceled checks, customer files, federal, state, and local income tax, sales and use tax, and payroll tax returns, the federal income tax returns of any Principal who owns an ownership interest in Franchisee greater than or equal to fifty percent, and any other information or records pertaining to the Franchised Business (collectively referred to as Franchisee's Business Records). If such an inspection should reveal that Gross Revenues have been understated in any report to Franchisor, then Franchisee shall immediately pay the amount of Royalty and other fees and amounts due with respect to such understatement, plus the late fee and interest as provided by this Agreement. In addition, if an inspection discloses an understatement of Gross Revenues of three percent (3%) or more for any monthly period so inspected, or if an inspection is prompted by Franchisee's failure to maintain any records or to timely submit any report or other information required by this Agreement, then Franchisee shall also reimburse Franchisor for any and all costs and expenses of such inspection (including, without limitation, wages paid by Franchisor to its employees, travel expenses, and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have. Franchisor shall also have the right, at any time, to have an independent audit made of Franchisee's Business Records.

XI.INDEMNIFICATION AND INSURANCE

A.Indemnification

Franchisee is responsible for all losses or damages from contractual liabilities to third persons

from the possession, ownership, and operation of the Franchised Business and all claims or demands for damages to property or for injury, illness or death of persons, directly or indirectly arising out of, or in connection with, possession, ownership or operation of the Franchised Business or the actions or omissions of Franchisee, its employees, officers, managers, representatives, and agents. Franchisee agrees to indemnify, hold harmless and, at the Franchisor's request, defend the Franchisor and its affiliates and franchisees, and their agents, employees, attorneys, successors and assigns against any and all claims, suits, demands, losses, damages or liabilities and all related expenses, including reasonable attorneys' fees and court costs, which directly or indirectly arise out of, in connection with, or as a result of possession, Franchisee's ownership or operation of the Franchised Business or the acts or omissions of Franchisee. This indemnity obligation will continue in full effect even after the expiration, transfer or termination of this Agreement. The Franchisor's right to indemnity under this Agreement will arise and be valid notwithstanding that joint or concurrent liability may be imposed on the Franchisor by statute, ordinance, regulations or other laws.

B.Insurance

Franchisee must obtain and provide Franchisor with evidence of insurance in at least the minimum amounts and with the coverages specified by Franchisor. Evidence of this insurance must be initially provided before beginning operation of the Franchise Business. Certificates of renewal must be provided no later than 10 days before the expiration date of each policy. If Franchisee does not provide the Franchisor with evidence of any required insurance policies at any due date, Franchisor may purchase that insurance at the Franchisee's expense. Franchisee shall reimburse Franchisor on demand for Franchisor's cost in obtaining this insurance together with interest at the rate of eighteen percent (18%) per annum or the highest rate allowed by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee. Each required policy of liability insurance must name Franchisor as an additional insured and must provide that Franchisor will be given at least 30 days' notice before cancellation, modification or amendment of the policy. All insurance policies shall be in such form and with such companies having an A.M. Best's Rating of A- VII or better. All insurance policies shall specify that they cannot be canceled or materially modified on less than twenty (20) days prior written notice to both Franchisee and Franchisor and any additional insureds. Franchisee agrees to pay any and all applicable property deductible in the event of a loss. Franchisee acknowledges and agrees that Franchisor is not liable or responsible under any circumstance for any uninsured loss.

XII.PROPRIETARY MARKS

A.Use by Franchisee

Franchisee's right to use the Marks as granted in this Agreement is limited to their use in connection with the operation of the Franchised Business within the Territory and otherwise as described herein and as set forth in the Manual or as may be prescribed in writing by Franchisor from time to time.

B. Exclusive Property of Franchisor

Franchisee acknowledges Franchisor's right, title, and interest in and to the Marks, along with

the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in the System. Except as expressly provided by this Agreement, Franchisee shall acquire no right, title or interest therein, and any and all goodwill associated with the system and the Marks shall inure exclusively to Franchisor's benefit. Upon the expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the system or the Marks.

C. Infringement by Franchisee

Franchisee acknowledges that the use of the Marks outside of the scope of this Agreement without Franchisor's prior written consent is an infringement of Franchisor's rights, title, and interest in and to the Marks. Franchisee expressly covenants that during the term of this Agreement and after the expiration or termination hereof, Franchisee shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation thereof.

D. Infringement by Others

Franchisee shall promptly notify Franchisor of any use of the Marks or any colorable variation thereof by any person or legal entity other than Franchisor or any of its representatives and agents or other Franchisees, or any other mark in which Franchisor has or claims a proprietary interest. Franchisee further agrees to notify Franchisor promptly of any litigation instituted by any person or legal entity against Franchisor or Franchisee involving the Marks. In the event Franchisor, in its sole discretion, undertakes the defense, prosecution, or settlement of any litigation relating to the Marks, Franchisee agrees to execute any and all documents, and to render such assistance as may, in the opinion of Franchisor, be reasonably necessary to carry out such defense, prosecution or settlement. In the event that any party demonstrates, to Franchisor's sole satisfaction, a superior right to use any of the Marks, Franchisee shall, upon demand by Franchisor, discontinue its use of such Mark(s) and adopt, at Franchisee's sole cost and expense, any Mark(s), if any, selected by Franchisor to replace such discontinued Mark(s).

E. Improper Use

Franchisee shall not use any of the Marks, or any derivative or colorable variation thereof: (i) as part of Franchisee's corporate or other legal name; (ii) on or as part of any Website, domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or other similar services (without Franchisor's prior written consent); (iii) with any prefix, suffix (including, but not limited to, the word "Inc."), or other modifying words, terms, designs, or symbols; or (iv) in any modified form. Franchisee shall not register any of the Marks, or any derivative or colorable variation thereof, as a service mark, trademark, or Internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefor or that may harm, tarnish, or impair Franchisor's reputation, name, services or Marks. The provisions of this paragraph shall survive the expiration, termination or cancellation of this Agreement.

F. Non-exclusive Use

Franchisee expressly acknowledges and agrees that this license to use the Marks is non-exclusive, and Franchisor has and retains the rights, among others:

- 1. To grant other licenses for the use of the Marks, in addition to those already granted to existing franchisees and to Franchisee; and
- 2. To develop and establish other systems and programs utilizing the same or similar Marks, or any other proprietary marks, and to grant franchises therein without granting Franchisee any rights therein;

G. Use by Others.

Franchisee shall not permit any third party to imprint the Marks on any products, materials, documents, and supplies utilized by Franchisee in connection with the operation of the Franchised Business without first obtaining the consent of Franchisor and causing such third party to execute a license agreement as specifically provided for in this Section of this Agreement.

XIII.CONFIDENTIAL MANUAL

A.Business Operations

In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Marks, Franchisee shall conduct its operations hereunder in accordance with Franchisor's Manual, as the same may be amended or modified from time to time.

B. Confidentiality

The Manual shall at all times remain the sole property of Franchisor. Franchisor treats the Manual and all information contained therein as confidential and proprietary. Franchisee shall treat the Manual and all information contained therein as confidential and proprietary and shall use all reasonable efforts to maintain such information as confidential and proprietary. Franchisee shall also ensure that its employees treat the Manual and all information contained therein as confidential and proprietary. Franchisee shall not at any time copy, duplicate, record, or otherwise, make the same available to any unauthorized person. The foregoing provisions shall survive the expiration, termination or cancellation of this Agreement.

C. Modification

Franchisor shall have the right to add to or otherwise modify the Manual from time to time to reflect changes in any of the System Standards, provided that no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. Without limiting the generality of the foregoing, Franchisor may, during the term of this Agreement, require Franchisee to modify, enhance and/or replace all or any part of Franchisee's communication and information system at Franchisee's expense, and Franchisee agrees to acquire (or acquire the right to use for the remainder of the term of this Agreement), within one hundred twenty

(120) days after receipt of written notice from Franchisor, the modified, enhanced or replacement version of the communication and information system specified by Franchisor. Franchisee further agrees to take all other actions as may be necessary to enable the modified, enhanced or replacement communication and information system to operate as specified by Franchisor. Any such modifications, enhancements, and replacements may require Franchisee to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software or other equipment and to obtain different and/or additional service and support services during the term of this Agreement. Franchisee acknowledges that Franchisor cannot estimate the costs of future maintenance, enhancements, modifications, and replacements to the communication and information system or other items and that such maintenance, enhancements, modifications, and replacements required by Franchisor may involve additional investment by Franchisee during the term of this Agreement. Franchisee shall at all times ensure that its copy of the Manual is kept secure, current, and up to date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling. Upon Franchisor's request, Franchisee will cooperate in the efficient return of all Manuals that have been identified by the Franchisor as obsolete.

XIV.CONFIDENTIAL INFORMATION

A. Use of Confidential Information

Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation, any confidential information, knowledge, or know-how concerning the 810 Entertainment Method, the System, or the methods of operation hereunder that may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's business operations under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Business as described herein. In connection therewith, Franchisee shall be fully responsible for ensuring that its employees comply with this Section.

B. Use of and Improvements to the Method

In order to assure maximum uniformity of quality and service in all treatments provided by all 810 Entertainment employees and staff, Franchisee agrees to follow the procedures prescribed by the 810 Entertainment strictly. As Franchisor develops or learns of improvements, enhancements, or innovations in the procedures and techniques embodied in the 810 Entertainment Method, Franchisor will disseminate such information to all franchisees of the system and authorize their use in the Franchised Business. In return and in consideration therefor, Franchisee agrees that any idea or suggested innovation or variation that may tend to enhance or improve the 810 Entertainment Method that Franchisee develops, discovers, or otherwise becomes aware of during the term of this Agreement shall be submitted to Franchisor for its evaluation for adoption and use, and Franchisee agrees that all proprietary rights to such ideas, innovations, improvements, enhancements, or variations created or acquired by Franchisee or any of its employees shall belong exclusively to Franchisor and may be made available to all 810 Entertainment franchisees.

C. Remedies

Franchisee acknowledges that any failure to comply with this Section will cause Franchisor irreparable injury, and Franchisee consents to the issuance of and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, specific performance of, or any injunction against a violation of, the requirements of this Section.

D. Preservation of Confidentiality

Franchisee shall require Franchisee's Principals directors, officers, and managers, at the time of the commencement of their association with Franchisee, to execute confidentiality agreements, in a form approved by Franchisor, requiring that all information being proprietary or confidential hereunder that may be acquired by or imparted to such persons in connection with their association with Franchisee be held in strict confidence and used solely for the benefit of Franchisee and Franchisor, at all times during their association with Franchisee and thereafter. Such covenants shall include specific identifications of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce the same.

XV.ADVERTISING

A.Advertising

Recognizing the value of advertising and the importance of consistency of advertising and promotion to the furtherance of the goodwill and public image of the System, the parties agree that Franchisor shall conduct, determine, maintain, and administer all national and/or regional advertising funds that are or may hereafter be established pursuant to this Section, and shall have sole discretion over the concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout, and content of all national, regional, and local advertising, and accordingly agree as follows:

B. National Advertising Contributions

Franchisee shall make National Advertising Contributions in the amount of 1% of Gross Revenues payable every week to such national advertising fund ("National Advertising Fund") as Franchisor may establish for advertising for the System.

- **1.** The National Advertising Fund shall be maintained and administered by Franchisor as follows:
- 2. Franchisee agrees and acknowledges that the National Advertising Fund are intended to maximize general public recognition and acceptance of the Marks for the benefit of all franchisees within the System or within a region, as the case may be, and that Franchisor is not obligated in administering the National Advertising Fund to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchise benefits directly or pro rata from the placement of advertising.
- **3.** The National Advertising Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, researching,

directing, and preparing advertising and/or promotional activities including, without limitation, the costs of preparing and conducting advertising campaigns in various media; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; employing advertising agencies to assist therein; product development; and developing and providing promotional and other marketing materials for franchisees in the System.

- **4.** Franchisor shall, for each of its company-owned locations (if any), make contributions to the National Advertising Fund on the same basis as assessments required of comparable franchisees within the System.
- 5. Franchisee shall contribute to the National Advertising Fund by separate check made payable to the 810 Entertainment National Advertising Fund or such other designation as Franchisor may from time to time prescribe. All sums paid by Franchisee to the National Advertising Fund shall be maintained in an account separate from the other money of Franchisor. Such sums shall not be used to defray any of Franchisor's expenses, except for such reasonable salaries, overhead, and administrative, accounting, legal (including, without limitation, the defense of any claims against Franchisor and/or Franchisor's designee regarding the management of the National Advertising Fund) and other costs, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the National Advertising Fund or advertising programs for franchisees and the System, including the costs of enforcing contributions to the National Advertising Fund required under this Agreement and the costs of preparing a statement of operations. The National Advertising Fund and their earnings shall not otherwise inure to the benefit of Franchisor.
- 6. It is anticipated that all contributions to and earnings of the National Advertising Fund shall be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the National Advertising Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from the previous year(s), next out of earnings in the current year, and finally from contributions.
- 7. Franchisee agrees that Franchisor (and any designee of Franchisor) shall not have any direct or indirect liability or obligation to Franchisee, the National Advertising Fund or otherwise with respect to the management, maintenance, direction, administration or otherwise of the National Advertising Fund. Franchisee further agrees that Franchisor shall not be liable for any act or omission, whether with respect to the National Advertising Fund or otherwise, which is consistent with this Agreement or other information provided to Franchisee, or which is done in subjective good faith. Franchisee and Franchisor, each having a mutual interest and agreeing on the critical practical business importance of his or her relationship being governed solely by written instruments signed by the parties to be bound (and not having either party subject to the uncertainty inherent in the application of legal or other concepts not expressly agreed to in writing by both parties), agree that their rights and obligations with respect to the National Advertising Fund and all related matters are governed solely by this Agreement and that neither this Agreement nor the National Advertising Fund are in the nature of a "trust", "fiduciary relationship" or similar special arrangement, but is only an

ordinary commercial relationship between independent businesspersons for their independent economic benefit.

- **8.** The National Advertising Fund is not and shall not be an asset of Franchisor.
- **9.** Although Franchisor intends the National Advertising Fund to be of perpetual duration, Franchisor maintains the right to terminate any Fund. No Fund shall be terminated, however, until all money in the Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions.

C. Franchise Advisory Council

Franchisee shall participate, at Franchisee's sole expense, in local, regional and national franchise advisory committees or councils if established or sanctioned by Franchisor. The Council shall serve in an advisory capacity only and will not have the authority to establish or modify our policies or to direct or control the uses of our Marketing. Franchisor shall have the power to determine membership, the election of Council Officers and to change or dissolve the Franchise Advisory Committees.

D. Advertising Materials

In addition to any other advertising requirements described in this Agreement, Franchisee shall obtain and maintain an adequate supply of brochures, pamphlets, and special promotional materials of such kind and size as Franchisor may reasonably require from time to time in the Manual or otherwise in writing.

E. Delegation of Franchisor's Duties

Franchisor shall have the right to delegate and redelegate its responsibilities and duties under this Agreement to any designee(s) of its choosing; provided, however, that the right of final approval of all advertising programs shall be retained at all times by Franchisor.

F. Web Site

Franchisee specifically acknowledges and agrees that any Website (as defined below) is "advertising" under this Agreement and is subject to (among other things) Franchisor's approval. As used in this Agreement, the term Website means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers or other devices linked by communications' software. The term Website includes, but is not limited to, the Internet, World Wide Web home pages, URL addresses, and Social Media accounts and pages. 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 Marks, any or all of the Permitted Products and Services, 810 Entertainment Franchised Business, the franchising of 810 Entertainment Franchised Business, and/or the System. Franchisor shall have the sole right to control all aspects of the Website, including, but not limited to, 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 the operation of the Website.

- **2.** Franchisee shall not establish a separate Website or Social Media account or page without Franchisor's prior written approval.
- **3.** Franchisor shall have the right, but not the obligation, to designate one or more web pages to describe Franchisee or the Franchised Business, with such web pages to be located within Franchisor's Web site. 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 rights to limit and discontinue the content and operation of such Website and web pages.
- **4.** Franchisor shall have the right to modify the provisions of this Section relating to Websites as Franchisor shall solely determine if it is necessary or appropriate for the best interests of the System.

G. Approval of Advertising

All advertising by Franchisee in any medium shall be conducted in a dignified manner, shall be completely accurate and truthful, shall conform to all applicable laws and regulations relating to consumer advertising and to such standards and requirements as Franchisor may specify from time to time in writing, and shall give notice that the Franchised Business is independently owned and operated. Franchisee shall submit to Franchisor (by certified mail, return receipt requested), for Franchisor's prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials (including, but not limited to, signs and vehicles), and all other materials displaying the Marks that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. Unless Franchisee receives a written objection thereto from Franchisor within fifteen (15) days after the date Franchisor received such plans and materials, Franchisor shall be deemed to have given the required approval. Franchisee shall display the Marks in the manner prescribed by Franchisor on all signs and all other advertising and promotional materials used in connection with the Franchised Business.

H. Copyright to Advertising

Franchisee acknowledges and agrees that any and all copyrights in and for advertising and promotional materials developed by or on behalf of Franchisee which bear the Marks shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Franchised Business or the System and approved by Franchisor may be used by Franchisor and other franchisees of Franchisor without any compensation to Franchisee.

I. Local Advertising

Franchisee shall conduct advertising, promotion, and public relations within the local area to

be serviced by the Franchised Business (Local Advertising). It is required that Franchisee spends at least 2% of Gross Revenues for Local Advertising to generate public interest and awareness of the Franchised Business and to adequately penetrate the market for Franchisee's products and services within Franchisee's trading area.

J. Regional Advertising Cooperatives

Entertainment Franchised Business is located for the purpose of establishing a local or regional marketing and advertising cooperative (Cooperative). Franchisee shall take appropriate steps to establish and participate in a Cooperative if required to do so by Franchisor. If a Cooperative for the geographical area in which the Franchised Business is located has already been established when Franchisee opens the Franchised Business, then Franchisee shall immediately become a member of the Cooperative under the terms of its governing documents. If a Cooperative for the geographical area in which the Franchised Business is located is established during the term of this Agreement, Franchisee shall immediately become a member of the Cooperative and take all steps necessary to become a member. In no event shall Franchisee be required to be a member of more than one Cooperative for the Franchised Business established under this Agreement. The following provisions apply to each Cooperative:

- 1. Each Cooperative will be organized and governed in a form and manner prescribed or approved by Franchisor in writing and will commence operations on a date specified by Franchisor. Any disputes arising between Franchisee, on one side, and other franchisees in the Cooperative or the Cooperative, on the other side, will be resolved in accordance with the rules and procedures in the Cooperative's governing documents. Each member of a Cooperative, whether Franchisor, an affiliate of Franchisor, or a franchisee of Franchisor, will be entitled to one vote for each Franchised Business operated by the member in the geographical area for which the Cooperative is established.
- **2.** Franchisor, in its sole discretion, shall establish the geographical area covered by each Cooperative by determining the common coverage areas of advertising media relevant to the particular geographic market, the Metropolitan or Metropolitan Statistical Area, industry practices, or Franchisor's advertising policies.
- **3.** Each Cooperative will be organized for the exclusive purpose of administering local or regional advertising programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local or regional advertising and promotion.
- **4.** No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor pursuant to the procedures in this Section of this Agreement.
- **5.** Each month that a Cooperative is in existence for Franchisee's geographical area, Franchisee shall contribute to the Cooperative an amount specified by Franchisor or the

Cooperative (the Cooperative Contribution). Franchisee's Cooperative Contribution will not be credited towards the National Advertising Contribution required by this Section.

- 6. The members of the Cooperative will determine the amount of the Cooperative Contribution in accordance with its governing documents, but the Cooperative Contribution may not exceed the monthly Suggested Local Advertising Expenditure provided here above unless the members of the Cooperative, by a majority vote conducted in accordance with its rules, bylaws, or other governing documents, agree to a Cooperative Contribution in excess of the amount listed in this Section. Franchisee shall pay its Cooperative Contribution, together with any statements or reports that Franchisor or the Cooperative (with Franchisor's prior written approval) may require, on a date each month determined by the Cooperative, but no later than the tenth day of each month.
- **7.** Within thirty days after the end of each calendar month, each Cooperative will prepare and submit to Franchisor financial statements presenting the financial position and results of operations of the Cooperative for the preceding month. Each member of the Cooperative will be entitled to receive a copy of the Cooperative's financial statements upon request.
- **8.** For each 810 Entertainment Franchised Business operated by Franchisor or an affiliate of Franchisor in a geographical area for which a Cooperative has been established, Franchisor shall make a Cooperative Contribution on the same basis as assessments required of comparable franchises that are members of the same Cooperative.
- **9.** Cooperatives established by Franchisor are intended to be of perpetual duration. However, Franchisor maintains the rights to modify, merge, or dissolve any Cooperative. Franchisor shall use any unexpended monies from the dissolved Cooperative only for advertising or promotional purposes for the System.
- 10. Franchisee acknowledges that 810 Entertainment Franchised Business operated by other franchisees of Franchisor, even though located in the same geographical area in which the Franchised Business is located, may be operating under franchise agreements containing terms that vary substantially from the terms of this Agreement, and consequently, may not be required to participate in Cooperatives.

XVI.TRANSFERABILITY OF INTEREST

A.Transfer by Franchisor

Franchisor shall have the right to transfer or assign all or any part of its rights and/or obligations herein to any person or legal entity, including a subfranchisor specifically responsible for assisting Franchisee. Franchisee agrees to execute any forms that Franchisor may reasonably request to effectuate any transfer or assignment by Franchisor.

B.Transfer by Franchisee

Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and, if Franchisee is other than an individual, Franchisee's Principals, and that Franchisor has entered into this Agreement in reliance upon the business skills and financial capacity of Franchisee and, if Franchisee is other than an individual, Franchisee's

Principals. Accordingly, neither Franchisee, nor any Principal of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the Franchise, shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest therein or in Franchisee without the prior written consent of Franchisor. Any purported assignment or 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, for which Franchisor may then terminate without the opportunity to cure. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee or in this Franchise; provided, however, that prior to the transfer, Franchisor may, in its sole discretion, require that:

- 1. All of Franchisee's accrued monetary obligations to Franchisor and all other outstanding obligations related to the Franchised Business shall have been satisfied.
- 2. The transferor's right to receive compensation pursuant to any agreement for the purchase of any interest in Franchisee or in the Franchised Business shall be subordinated and secondary to Franchisor's rights to receive any outstanding monetary obligations or other outstanding obligations due from the transferor or Franchisee pursuant to this Agreement, whether arising before or after the transfer.
- **3.** The transferee franchisee shall enter into a written assumption, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement prior to and after the date of the assumption.
- 4. The transferee franchisee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise) and has adequate financial resources and capital to operate the Franchised Business.
- **5.** The transferee franchisee shall execute Franchisor's then-current form of franchise agreement and such other ancillary agreements as Franchisor may require, for a term ending on the expiration date of this Agreement and with such renewal term(s) as provided in the then-current Franchise Agreement.
- **6.** At the transferee franchisee's expense, and upon such other terms and conditions as Franchisor may reasonably require, the transferee Franchisee, its Designated Manager and other persons that are normal and customary required to attend training must satisfactorily complete Franchisor's training requirements then in effect for franchisees.
- 7. Any right of Franchisee to any payments from the transferee franchise resulting from the transfer shall be subordinate to any claim or right of Franchisor against the transferee franchisee subsequent to the effective date of the transfer, and Franchisee and the transferee Franchisee shall execute any and all instruments reasonably required by Franchisor to evidence such liability.
- **8.** Either Franchisee or the transferee Franchisee shall pay Franchisor a transfer fee of \$25,000. No transfer fee will be required in the case of a transfer of Franchisee's interest under

this Agreement to an entity formed solely for the convenience of ownership in accordance with the provisions of this Agreement.

9. Notwithstanding the provisions of Subsection above, neither Franchisee nor any Principal of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the Franchised Business, shall pledge, mortgage, grant a security interest, or otherwise encumber any interest in this Agreement, in the franchise granted hereunder, or in Franchisee (whether or not in connection with an absolute transfer of an interest in the Franchised Business). Franchisor shall not be obliged to consent to any such transfer.

C. Transfer to Controlled Entity

In the event that Franchisee proposes to transfer all of its interest in the Franchised Business to an entity formed solely for the convenience of ownership, Franchisor's consent to such transfer may, in its sole discretion, be conditioned on the following requirements:

- 1. Franchisee shall own a controlling interest in the transferee entity;
- **2.** The transferee entity shall be newly organized, and its charter, articles of organization, bylaws, partnership agreement, or operating agreement shall provide that its activities are confined exclusively to operating the Franchised Business;
- **3.** Franchisee, prior to the transfer, shall have provided Franchisor with written information as to each Principal of the transferee entity, and the interest of each, and shall promptly notify Franchisor of any changes in any such information during the term of this Agreement;
- **4.** The transferee entity shall designate a Designated Manager in compliance with this Agreement;
- **5.** All Principals of the transferee entity shall enter into an agreement, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of the transferee entity's obligations to Franchisor;
- **6.** Each ownership certificate of the transferee entity, if any, shall have conspicuously endorsed upon its face the following legend:

"The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with 810 Entertainment dated _____."

- **7.** Copies of the transferee entity's articles of incorporation or organization, bylaws, partnership agreement, operating agreement, and other governing documents, including the resolutions of the Principals or Board of Directors authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval; and
- **8.** The transferee entity's name shall not consist of or contain the Marks or any colorable variation thereof or any other mark in which Franchisor has or claims a proprietary interest.

D. Franchisor's Right of First Refusal

If Franchisee or its Principals shall at any time decide to sell, transfer or assign any right or interest under this Agreement and/or the franchise granted pursuant hereto, Franchisee or its Principals shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser and shall submit an exact copy thereof to Franchisor. For a period of thirty (30) days after the date of delivery of such offer to Franchisor, Franchisor shall have the right, exercisable by written notice to Franchisee or any of its officers, to purchase such rights or interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute equivalent cash for any form of payment proposed in such offer. Any purchase by Franchisor must be completed within ninety (90) days after Franchisee's receipt of Franchisor's written notice of its intent to purchase. If Franchisor does not exercise its right of first refusal, Franchisee or its Principals may complete the sale of such interest to the bona fide purchaser, subject to Franchisor's approval of the purchaser as provided herein; provided, however, that if the sale to such purchaser is not completed within one hundred twenty (120) days after the delivery of the offer to Franchisor, Franchisor shall again have the right of the first refusal herein provided.

E. The right of Franchisee's Heirs upon Death or Disability of Franchisee

A transfer to the heirs, surviving spouse, or personal or other legal representative of Franchisee (collectively, Involuntary Transferees) upon the death or legal disability of Franchisee shall not be subject to Franchisor's right of first refusal above or right to terminate for failure to obtain written approval for Transfer as provided herein, so long as the Involuntary Transferees (i) satisfy Franchisor that they are qualified to act as a franchisee, and (ii) perform all other applicable acts required of a Transferee and Transferor as prescribed this Agreement. Such transfer shall be made within one hundred eighty (180) days after the death or disability of Franchisee, or Franchisor, at its option, may terminate this Agreement, whereupon all rights granted to Franchisee hereunder shall revert to Franchisor. Any subsequent sale or other transfer by any Involuntary Transferee shall be subject to Franchisor's right of written approval set forth in this Section in this Agreement and to Franchisor's right of first refusal set forth above. Transfer to Involuntary Transferees shall not require the payment of the transfer fee required by this Agreement. Actual legal costs incurred by Franchisor to approve and effect the transfer will be charged, however.

XVII.TERMINATION

A. Termination by Franchisor

Franchisor may elect to terminate this Agreement, without prejudice to any other legal or equitable rights or remedies Franchisor may have, upon the occurrence of any one or more of the following events:

- 1. Franchisee fails to timely (i) locate and secure a Site as so required by this Agreement, or (ii) open the Franchised Business within the time limits prescribed by this Agreement.
- **2.** Franchisee fails to satisfy all of the training obligations herein.

- **3.** Franchisee fails to pay when due any sum required to be paid by Franchisee under this Agreement or any other agreement or instrument between Franchisor and Franchisee.
- 4. Franchisee fails on three (3) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, Royalty Fees or other fees and payments when due to Franchisor or any Affiliate of Franchisor, or otherwise fails to comply with this agreement, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee.
- **5.** Franchisee fails to operate the Franchised Business in full compliance with the terms of this Agreement, the Manual, or the System Standards.
- **6.** Franchisee fails to operate the Franchised Business for more than two (2) consecutive days that the Franchised Business is required or is customarily open in the ordinary course of business, or otherwise abandons the Franchised Business.
- 7. Franchisee provides for offers or sells any Permitted Products and Services at or from a location that is within the franchise territory of another 810 Entertainment franchise (except as expressly stated this Agreement, the Manual, or any other written agreement between Franchisor and Franchisee), or otherwise infringes upon rights granted by Franchisor under franchise agreements with other franchisees of Franchisor.
- **8.** Franchisee fails to achieve or exceed System Standards in two (2) inspections in any twenty (24) month period.
- **9.** Franchisee is declared bankrupt or insolvent, or Franchisee is the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code (this provision may not be enforceable under federal bankruptcy law).
- **10.** A receiver is appointed for Franchisee or for any part of its property, or Franchisee makes any assignment for the benefit its creditors, if not dismissed within fifteen (15) days.
- 11. Franchisee loses the right to possession of the Site upon which the Franchised Business is located, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located, unless such default results from circumstances beyond the control of Franchisee and does not arise from any action taken or failure to act by Franchisee or Franchisee's failure to cure or correct the circumstances that led to such default (provided, however, that if, through no fault of Franchisee, the Site are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within ninety (90) days thereafter, or if the Site is acquired pursuant to a government taking of property, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate the Franchised Business or reconstruct the Franchised Business, which approval shall not be unreasonably withheld).
- **12.** Franchisee fails, for a period of ten (10) days after receipt of notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business.
- 13. Franchisee makes any transfer or attempted transfer that fails to comply with this

Agreement.

- 14. The Franchised Business is seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor; a final judgment against Franchisee remains unsatisfied for thirty (30) days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the franchise granted by this Agreement or upon any property used in the Franchised Business that is not discharged within five (5) days of such levy.
- 15. Franchisee or any Principal violates the restrictive covenants of the confidentiality, solicitation, competition as set forth in this agreement or otherwise directly or indirectly uses or discloses Confidentiality Information to or for the benefit of it, her/hers, or benefit of another or publishes causes to be published Confidential Information without the expressed written consent of Franchisor.
- **16.** Any conduct or activity by Franchisee or any Principal, director, or officer of Franchisee that Franchisor believes is reasonably likely to have an adverse effect or reflect unfavorably on the Franchised Business, Franchisor, the System, the Marks, or the goodwill associated therewith, including, but not limited to, any criminal misconduct for which Franchisee or any Principal, director, or officer of Franchisee is convicted.
- 17. Franchisee knowingly maintains false books or records, or knowingly submits any false reports (including, but not limited to, information provided as part of Franchisee's application for this franchise) to Franchisor, or understates its Gross Revenues reported to Franchisor by more than five percent (5%) and any given 180-day period.
- **18.** Any threat or danger to public health or safety resulting from the construction, maintenance, or operation of the Franchised Business, and Franchisee has not immediately commenced actions to cure the problem or has not promptly cured or corrected the problem or activity that gave rise to the threat or danger.
- 19. Franchisee fails to perform or breaches any other provision of this Agreement or of any other agreement or instrument between Franchisor and Franchisee and fails to cure any such breach within thirty (30) days from notice of breach.

B. Notice of Default

If Franchisee fails to cure any default within thirty (30) days (or such longer period as may be required by applicable law) after its receipt of a written notice of default from Franchisor, Franchisor may terminate this Agreement, except that no written notice of default or opportunity to cure shall be required in the case of a default described in immediately preceding subsections above. If Franchisee breaches the same term of this Agreement three (3) times within any twelve (12) month period, for each of which Franchisee was given notice and an opportunity to cure as provided herein, Franchisor may terminate this Agreement upon any subsequent breach of the same term within such twelve (12) month period, without providing notice or opportunity to cure. Termination of this Agreement shall be effective automatically upon the expiration of the time period specified above (or such longer period as may be required by applicable law) or, if no notice of default is required, immediately upon

Franchisee's receipt of a written notice of termination.

C. Liability for Default

If Franchisee fails to cure any default within the applicable time period set forth in this Section, Franchisee shall pay all damages, costs, and expenses incurred by Franchisor as a result of any such default, including, but not limited to, reasonable attorney and accounting fees. This provision shall apply regardless of whether or not Franchisor exercises its right to terminate this Agreement or initiate legal or arbitration proceedings against Franchisee.

XVIII.OBLIGATIONS UPON TERMINATION

Upon the termination or expiration of this Agreement, for any reason, Franchisee shall forthwith:

- 1. Cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.
- 2. Immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, materials, confidential methods, procedures, or techniques associated with the System or that display the Marks, or any other distinctive forms, slogans, signs, symbols, or devices associated with or belonging to Franchisor.
- 3. Make such modifications or alterations to the Site of the Franchised Business, including the improvements thereon, as may be necessary or requested by Franchisor (including, but not limited to, changing the telephone number) to prevent the operation of any business on the Site upon which the Franchised Business is located that might be deemed substantially similar to that of the Franchised Business or any other franchisee of Franchisor. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor shall have the right to enter the Site, without being guilty of trespass or any other tort or crime, for the purposes of making or causing to be made such changes as may be required, at the expense of Franchisee.
- 4. At the option of Franchisor, assign to Franchisor or Franchisor's designee any interest of Franchisee in any lease or sublease for the Site of the Franchised Business. If Franchisee fails to do so, Franchisor shall have the right, for which purpose Franchisee hereby appoints Franchisor as its attorney-in-fact, to make such assignment on Franchisee's behalf. If Franchisor elects not to exercise its option to acquire Franchisee's lease/sublease, Franchisee shall make such modifications or alterations to the Site of the Franchised Business as described in subparagraph (c) above immediately upon termination or expiration of this Agreement as may be necessary and requested by Franchisor for that purpose (including, but not limited to, changing the telephone number).
- **5.** Turn over to Franchisor the Manual, records, customer and other files, instructions, correspondence, and software provided and/or licensed by Franchisor, including, without limitation, brochures, agreements, disclosure statements and any materials relating to the business operated hereunder, which may be in Franchisee's possession, together with all copies thereof (all of which Franchisee acknowledges to be Franchisor's sole property).

- **6.** At the option of Franchisor, assign to Franchisor or Franchisor's designee all of Franchisee's rights, title and interest in and to any and all (i) telephone numbers of Franchisee's franchise and all related Yellow Pages, White Pages and other business listings, and (ii) Web Sites, web pages, listings, banners, URLs, advertisements, or any other services and links related to the Franchised Business or the use of Franchisor's trademarks, service marks or other logos, on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines or other similar services.
- **7.** At the option of Franchisor (to be exercised within thirty (30) days after termination), sell to Franchisor any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's depreciated book value.
- **8.** Take such action as may be necessary to cancel any assumed name or equivalent registration that contains the mark 810 Entertainment or any of the other Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within fifteen (15) days after termination or expiration of this Agreement.
- **9.** Immediately pay all sums due and owing to Franchisor, including, but not limited to, any unpaid Royalty Fees other fees and monies.
- **10.** Obtain and maintain in effect all coverage for the professional liability or errors and omissions insurance and general liability insurance by this Agreement, to extend the period in which claims may be made for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located.
- 11. Franchisee does hereby irrevocably constitute and appoint Franchisor as the true and lawful attorney-in-fact and agent for Franchisee to carry out Franchisee's obligations under this Section. Franchisee agrees to promptly execute, acknowledge and deliver to Franchisor any and all such documents as may be required to carry out Franchisee's obligations hereunder. The provisions of this Section shall survive the expiration, termination or cancellation of this Agreement.

XIX.COVENANTS OF FRANCHISEE

A. Management of Franchise

Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, the Franchised Business shall at all times be under the direct supervision of Franchisee, the Designated Manager, or the Franchised Business Manager, who shall devote his/her full time, energy, and best efforts to the management and operation of the Franchised Business.

B. Covenants during Term of Franchise Agreement

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation,

information regarding the design, development, and operation of the Franchised Business, procedures and techniques of the 810 Entertainment Method, and sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person, persons, partnership, or corporation:

- 1. divert or attempt to divert any business or customer of the Franchised Business or of any other franchisee of Franchisor 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 Marks and the System;
- **2.** employ or seek to employ any person who is at that time employed by Franchisor or any franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment; or
- **3.** own, maintain, engage in, or have any interest in any business offering bowling, gaming, entertainment, and bar services, or any other products or services that are offered in the Franchised Business ("**Competitive Business**"), unless otherwise consented to in writing by Franchisor.

C. Covenants after Termination of Franchise Agreement

Franchisee further covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person, persons, partnership or corporation:

- 1. for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, own, maintain, operate, engage in, or have any interest in any business offering bowling, gaming, entertainment, and bar services, or any other services that had been offered by the Franchised Business, within twenty-five (25) miles of any 810 Entertainment Franchised Business; or
- 2. for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, directly or indirectly solicit or perform services for any person who was a customer of the Franchised Business at any time during the term of this Agreement.
- **3.** Franchisee and Franchisor agree that the covenants contained in this Section shall survive the expiration, termination or cancellation of this Agreement.

D. Exclusion for Publicly Traded Company

This Section shall not apply to the beneficial ownership by Franchisee of less than five percent (5%) of the outstanding equity securities of any corporation that is registered under the Securities and Exchange Act of 1934.

E. Independent Covenants; Severability

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

F. Reduction of Covenants by Franchisor

Franchisee understands and acknowledges 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 Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of hereof.

G. Claims Against Franchisor No Defense

Franchisee 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 Section.

H. Injunctive Relief

Franchisee acknowledges that its violation of the terms of this Section would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Franchisee accordingly consents to the issuance of and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section.

I. Execution of Covenants by Key Personnel

At the request of Franchisor, Franchisee shall provide Franchisor with executed Restrictive Covenant Agreements, containing covenants similar in substance to those set forth in this Section (including covenants applicable upon the termination of a person's relationship with Franchisee), from each manager, officer, director, and Principal of Franchisee. With respect to each person who becomes associated with Franchisee in one of the capacities enumerated above subsequent to the execution of this Agreement, Franchisee shall require and obtain such covenants from them and promptly provide Franchisor with executed copies thereof. In no event shall any person enumerated above be granted access to any confidential aspect of the System or the Franchised Business prior to their execution of such a covenant. All covenants required by this Section shall be in forms satisfactory to Franchisor, including, without limitation, the specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. The failure by Franchisee to obtain the execution of the covenants required by this Section and provide the same to Franchisor shall

constitute a material breach of this Agreement.

XX.ENFORCEMENT

A. Mediation

If a dispute arises between the parties that cannot be settled through negotiation, the parties shall first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to litigation or other dispute resolution procedures. The mediation proceedings shall take place at the American Arbitration Association location nearest Franchisor's principal place of business (presently Horry County, South Carolina).

B.Injunctive Relief

Franchisor shall be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to (a) Franchisee's use of the Marks; (b) the obligations of Franchisee upon the termination or expiration of this Agreement; (c) Covenants of Franchisee; (d) any assignment or transfer of this Agreement or any ownership interest contrary to this Agreement; or (e) as necessary to prohibit any act or omission by Franchisee or its employees or agents: (i) that would constitute a violation of any applicable law, ordinance, or regulation: (ii) that is dishonest or misleading to Franchisor and/or Franchisor's other franchisees; or (iii) that, in Franchisor's reasonable judgment, may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the Franchised Business, Franchisor, the System or the Marks.

C. Arbitration

Except as otherwise provided herein, any claim or controversy arising out of or related to this Agreement, or the breach thereof, shall be settled by mandatory binding arbitration in Horry County, South Carolina, in accordance with the U.S. Arbitration Act, if applicable, and the Rules of the American Arbitration Association (in accordance with the rules relating to the arbitration of disputes arising from franchise and license agreements, if any, or otherwise in accordance with the general rules of commercial arbitration), provided that at the option of Franchisor or Franchisee the arbitrator shall be selected from a list of retired federal or state judges supplied by the American Arbitration Association (if obtainable, or otherwise in accordance with the customary procedures for selecting an arbitrator). The arbitrator shall allow discovery in accordance with the Federal Rules of Civil Procedure and may apply the sanctions relating to noncompliance with discovery orders therein provided. The arbitrator shall issue a written opinion explaining the reasons for his or her decision and award, and the arbitrator shall have the right to award or include in the award the specific performance of this Agreement. Judgment upon the award of the arbitrator will be entered in any court having competent jurisdiction thereof or of the Franchisor of Franchisee. During the pendency of any arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform their respective obligations pursuant to the terms and conditions of this Agreement. All arbitration proceedings will be individual proceedings between Franchisor and Franchisee and will not be conducted on a "class" basis or include any other of our franchisees as named parties unless Franchisor and Franchisee each agree. The arbitration proceedings shall take place in Horry County, South Carolina, or the county of the state where the Franchisor is then headquartered.

D. Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing herein contained shall bar Franchisor's right to seek injunctive relief against threatened conduct that shall cause it loss or damages including obtaining restraining orders, preliminary and permanent injunctions.

FRANCHISEE AND FRANCHISOR EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IF THERE IS A DISPUTE WITH THE OTHER, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT INCLUDING REASONABLE ACCOUNTING AND/OR LEGAL FEES AS PROVIDED IN SECTION 22.C. FRANCHISEE WAIVES AND DISCLAIMS ANY RIGHT TO CONSEQUENTIAL DAMAGES IN ANY ACTION OR CLAIM AGAINST FRANCHISOR CONCERNING THIS AGREEMENT OR ANY RELATED AGREEMENT. IN ANY CLAIM OR ACTION BROUGHT BY FRANCHISEE AGAINST FRANCHISOR CONCERNING THIS AGREEMENT, FRANCHISEE'S CONTRACT DAMAGES SHALL NOT EXCEED AND SHALL BE LIMITED TO REFUND OF FRANCHISEE'S FRANCHISE FEE PAYMENTS.

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

E. Limitations of Claims

Except for claims against Franchisee concerning the underreporting of gross sales and for claims against Franchisee by Franchisor relating to third party claims or suits brought against Franchisor as a result Franchisee's operation of the franchise business, any and all claims arising out of or relating to this Agreement or the relationship between the parties hereto shall be barred unless an arbitration or legal proceeding is commenced within one (1) year from the date Franchisee, or Franchisor knew or should have known of the facts giving rise to such claims.

XXI.INDEPENDENT CONTRACTOR AND INDEMNIFICATION

It is understood and agreed that nothing in this Agreement shall create a partnership, employment or agency relationship between Franchisor and Franchisee, or authorize Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name. Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action by Franchisee. Franchisor shall not be liable to any third party for any act or omission of Franchisee in any of its operations hereunder (including, without limitation, any claim or action against Franchisee for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefore against Franchisee. Franchisee shall indemnify and hold Franchisor harmless from and against any and all claims, debts, liabilities or obligations arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the Franchised Business (excluding, however, liabilities caused by (i) Franchisee's improper

reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor's negligence), and shall pay all costs (including, without limitation, attorney and accountant fees) incurred by Franchisor in defending against and/or responding to them. FRANCHISEE SHALL DISPLAY PROMINENTLY AT ITS PLACE OF BUSINESS, ON ALL CORRESPONDENCE WITH THIRD PARTIES, AND IN ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE.

XXII.MISCELLANEOUS

A. Entire Agreement

This Agreement, together with the exhibits attached hereto, constitutes the entire Agreement between the parties hereto and supersedes any prior agreements between such parties. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. its exhibits and amendments. This Agreement may not be modified or amended except by written instrument signed by each of the parties hereto, expressing such amendment or modification. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercises thereof or the exercise of any other right, power or remedy. This Agreement may not be modified or amended except by written instrument signed by each of the parties hereto, expressing such amendment or modification.

B. Benefit

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement shall not be assigned by Franchisee without the prior written consent of Franchisor.

C. Construction

This Agreement was accepted by Franchisor in South Carolina. Except to the extent governed by the U.S. Trademark Act of 1946, this Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina; provided, however, that if any of the covenants contained in this Agreement would not be enforceable under the laws of South Carolina and the Franchised Business is located outside of South Carolina, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Business is located. South Carolina law shall prevail in the event of any conflict of law, except as specifically provided otherwise by any applicable state franchise investment laws, rules or regulations. If any provision of this Agreement relating to termination, nonrenewal or assignment of the franchise, or choice of law, jurisdiction or venue is inconsistent with any applicable state franchise investment law, rules or regulations, such applicable state law shall apply. Any addendum to this Agreement required by the regulatory authorities of any state for the purpose of disclosing salient provision of such state's law is hereby made a part hereof.

D. Jurisdiction and Venue

Franchisee hereby irrevocably agrees that subject to Franchisor's sole and absolute election, any and all suits, actions or other proceedings with respect to, arising out of or in connection with this Agreement shall be litigated in courts having a situs within Horry County, South Carolina. Franchisee hereby consents and agrees that the following courts shall have personal jurisdiction over Franchisee in all lawsuits relating to or arising out of this Agreement, and hereby submits to the jurisdiction of the following courts and irrevocably waives any defense Franchisee may have of lack of personal jurisdiction in any such lawsuits filed in these courts: (a) all courts included within the state court system of the State of South Carolina; and (b) all courts of the United States of America sitting within the State of South Carolina, including, without limitation, all United States District Courts within the State of South Carolina. Franchisee hereby consents and agrees that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and hereby irrevocably waives any right Franchisee may have to transfer or change the venue in any such lawsuits filed in these courts: (a) the state court of the county where Franchisor has its principal place of business. In the event any of these courts are abolished, Franchisee agrees that venue shall be proper in the state or federal court in South Carolina that most closely approximates the subject matter jurisdiction of the abolished court as well as any of these courts that are not so abolished. Any and all lawsuits filed by Franchisee against Franchisor (whether in breach of the arbitration provisions of this Agreement or not) relating to or arising out of this Agreement shall be required to be filed in one of these courts. Any and all lawsuits filed by Franchisor against Franchisee may be filed in any of these courts or in any court in which jurisdiction and venue are proper. In all lawsuits relating to or arising out of this Agreement, Franchisee consents and agrees that Franchisee may be served with process outside the State of South Carolina in the same manner of service that may be made within the State of South Carolina by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction. Franchisee hereby waives any defense it may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

E. Headings

The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provision of this Agreement.

F. Notices

All payments shall be made to, and all notices, requests, demands and other communications hereunder shall be deemed to have been duly received by, the person to whom addressed when personally delivered or forty-eight (48) hours after deposit in the United States mail, postage prepaid, addressed:

in the case of Franchisor: 810 Franchise Concepts, LLC 810 Entertainment 1220 Moser Dr., Myrtle Beach, South Carolina 29577

furnish to Franchisee;	
in the case of Franchisee: is:	 at the address

or to such other persons or address as Franchisor may from time to time

G. Severability

In the event that any provision of this Agreement, in whole or in part (or the application of any provision to a specific situation), shall be held, by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this Agreement, such invalidity shall be limited to such specific provision or portion thereof (or to such situation), and this Agreement shall be construed and applied in such manner as to minimize such invalidity. All other provisions of this Agreement shall otherwise remain in full force and effect.

If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any jurisdiction any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor shall have the unlimited right to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisor agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it was separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or operating procedure prescribed by Franchisor, any portion or portions that a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Any such modifications to this Agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

H. Survival of Covenants

All provisions of this Agreement which, by their terms, are intended to survive the termination or expiration of this Agreement (such as, by way of illustration and not limitation, the provisions relating to confidential information, indemnification, post-termination competition, and the Marks), and all provisions hereof necessary to enforce and interpret such provisions (such as, by way of illustration and not limitation, the provisions relating to arbitration and injunctive

relief), shall survive the termination, expiration or cancellation of this Agreement or the franchise granted hereunder.

I. No Third-Party Beneficiaries

Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or entity, not a party hereto.

J. Counterparts.

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed by their duly authorized agents, as of the date first written above.

FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	FRANCHISEE:
By:	By:
Title:	Title:
Date:	Date:
INDIVIDUAL FRANCHISEE:	INDIVIDUAL FRANCHISEE:
Signature	Signature
Print Name	Print Name
Date:	Date:

EXHIBIT 1. IDENTIFICATION OF FRANCHISEE

TO THE 810 Entertainment FRANCHISE AGREEMENT

ır	NDIVIDUAL FRANCHISE	EE
Name:	Date of	
Birth:		
Home Address (P.O. Box not accepta		
City:	State:	ZIP:
Home Telephone:	SSN	N:
NOM	N-INDIVIDUAL FRANCH	IISEE
Check One: Corporation	☐ Limited Liability Co	ompany \Box Partnership
Name:		
Address:		
City:		
Telephone:	EIN:	
Date of Organization:	State of Organization:	
Statutory/Registered Agent:		
Address of Agent:		
City:		
Officers		
President:	Vice President	t:
Treasurer:	Secretary:	
Shareholders/Members/Partners Name:	Per	rcentage of Ownership:
Home Address:		
City:		
Home Telephone:	SSN:	

Name:	Percentage of	Ownership:
Home Address:		
	State: ZIP	
	SSN:	
	Percentage of	
Home Address:		
City:	State: ZIP	:
	SSN:	
	Percentage of	
Home Address:		
City:	State: ZIP	:
	SSN:	
	Percentage of	
Home Address:		
	State: ZIP	
	SSN:	
The undersigned individual Fra Principals of Franchisee, hereb complete to the best of their k	nchisee, or if Franchisee is other than y certify that the foregoing informatio nowledge and agree to notify Franchish during the term of the Franchise Agre	an individual, each of th n is accurate and or promptly of any
 Signature	Signature	
Print Name	Print Name	
 Signature	Signature	
 Print Name	 Print Name	

EXHIBIT 2. SITE AND TERRITORY

TO THE 810 Entertainment FRANCHISE AGREEMENT

1. The Site for the Franchised Business shall be:

2 . The Territory referenced in the Frar geographical area in the State of	nchise Agreement shall consist of the following
	gree that this Exhibit shall be attached to, d Franchise Agreement between Franchisor and
	eto have executed this Agreement or caused this y authorized agents, as of the date first written above.
FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	FRANCHISEE:
By:	By:
Title:	Title:
Date:	Date:
INDIVIDUAL FRANCHISEE:	INDIVIDUAL FRANCHISEE:
Signature	
Print Name	Print Name
Date:	Date

EXHIBIT 3. AUTHORIZATION FOR ELECTRONIC TRANSFER OF FUNDS

TO THE 810 Entertainment FRANCHISE AGREEMENT

The undersigned depositor (DEPOSITOR) hereby authorizes 810 Franchise Concepts, LLC (PAYEE) to initiate debit entries and/or credit correction entries to the DEPOSITOR's checking account designated below, and authorizes the financial institution designated below (BANK) to debit such account pursuant to PAYEE's instructions.

Name of Financial Institution	Branch			
Address of Financial Institution	City	State	ZIP Code	
Account Number	Bank Transit/Ro	uting Number		
This authority will remain in effect up DEPOSITOR in such time as to afford may stop payment of any entry by nentry is charged to DEPOSITOR'S acceptry immediately credited to DEPO calendar days after BANK issues DE entry or forty-five (45) days after po to any rights DEPOSITOR may have laws.	BANK a reason notifying BANK a ount. DEPOSITO OSITOR'S account of the second sting, whicheve	able opportunity to t least three (3) bu OR may have the an nt by notifying BA bunt statement cor r occurs first. Thes	o act on it. DEPOSITOR usiness days before the nount of any erroneous NK within fifteen (15) ntaining the erroneous erights are in addition	
Name of DEPOSITOR:				
Ву:		Date:		
Title:				

EXHIBIT 4. SITE SELECTION ADDENDUM

TO THE 810 Entertainment FRANCHISE AGREEMENT

Concurrently	herewith,	810	Franchise	Concepts,	LLC	(Franchisor)	and
			(Franchisee)	have entered	into a(n)	810 Entertain	ıment
Franchised Busi	iness Franchise	e Agree	ement (the Fra	anchise Agreen	nent) and o	desire to supple	ment
its terms, as se	et out in this	Site Se	election Adde	ndum (the Ad	dendum).	The parties he	ereto
therefore, agre	e as follows:						

- 1. Within 6 months after execution of the Franchise Agreement (the Site Selection Period), Franchisee shall acquire or lease, at Franchisee's expense, a location for the 810 Entertainment Franchised Business franchised under the Franchise Agreement (the Franchised Business) at a site approved by Franchisor as hereinafter provided. Such location shall be within the following area: ______ (the Site Selection Territory). The Site Selection Territory is described solely for the purpose of selecting a site for the Franchised Business.
- **2.** Franchisor shall not establish, nor license another to establish, an 810 Entertainment Franchised Business within the Site Selection Territory until Franchisor approves of a location for the Franchised Business, or until the expiration of the Site Selection Period, whichever event occurs first.
- **3.** Failure by Franchisee to acquire or lease a site for the Franchised Business within the Site Selection Period shall constitute a default of the Franchise Agreement and this Site Selection Addendum.
- **4.** If Franchisee occupies the Site of the Franchised Business under a lease or sublease, Franchisee shall, prior to the execution thereof, submit such lease to Franchisor for its written approval. Franchisor's approval of the lease or sublease may be conditioned upon the inclusion of such provisions as Franchisor may reasonably require, including, without limitation:
- (a) A provision which restricts the use of the Site solely to the operation of the Franchised Business;
- **(b)** The lessor will consent to Franchisee's use of such Marks and signage as Franchisor may prescribe for the Franchised Business;
- (c) A provision that in the event Franchisee fails to timely pay any and all amounts due to Franchisor or lessor under the lease or sublease, Franchisor has the right to charge and collect from Franchisee, all resulting costs and expenses incurred by, and penalties imposed on, Franchisor;
- (d) A provision which prohibits Franchisee from subleasing or assigning all or any part of its occupancy rights or extending the term of or renewing the lease, without Franchisor's prior written consent;

- **(e)** A provision giving Franchisor the right, but not the obligation, to enter the Site or make modifications necessary to protect the Marks or the System or to cure any default under the Franchise Agreement;
- (f) A provision reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest, with the right to sublease, upon termination or expiration of such lease or of the Franchise Agreement without any assessment of additional fees, penalties, or rent acceleration;
- (g) A provision that the lessor will provide to Franchisor copies of any and all notices (including those related to default by Franchisee) given to Franchisee under the lease; and
- **(h)** A provision that restricts the lease from being modified in a manner that could materially affect Franchisor's rights with respect to the lease, without Franchisor's prior written consent.
- 5. Within sixty (60) days after the execution of the Franchise Agreement, Franchisee shall submit to Franchisor, in a form specified by Franchisor, a completed site approval package, which shall include a site approval form prescribed by Franchisor, an option contract, letter of intent, or other evidence satisfactory to Franchisor which describes Franchisee's favorable prospects for obtaining such site, photographs of the site, demographic statistics, and such other information or materials as Franchisor may reasonably require (collectively, the SAP). Franchisee acknowledges that time is of the essence. Franchisor shall have thirty (30) days after receipt of the SAP from Franchisee to approve or disapprove, in its sole discretion, the proposed site for the Franchised Business. In the event Franchisor does not approve a proposed site by written notice to Franchisee within said thirty (30) days, such site shall be deemed disapproved by Franchisor.
- **6.** Franchisor shall furnish to Franchisee the following:
 - (a) building specifications for your real property space; and design plans;
- (b) Such on-site evaluation as Franchisor may deem advisable in response to Franchisee's requests for site approval; provided, however, that Franchisor shall not provide on-site evaluation for any proposed site prior to the receipt of a completed SAP for such site prepared by Franchisee pursuant to Section 5 above. If on-site evaluation is deemed necessary and appropriate by Franchisor, Franchisor shall, at no charge to Franchisee, conduct: (a) up to two (2) on-site evaluations, if the Franchised Business is the first 810 Entertainment Franchised Business to be developed by Franchisee, or (b) one (1) on-site evaluation, if Franchisee has opened an 810 Entertainment Franchised Business prior to the Franchised Business. For any additional on-site evaluation, Franchisee shall reimburse Franchisor for Franchisor's reasonable expenses, including, without limitation, the costs of travel, lodging, wages, and meals.
- (c) After the location for the Franchised Business is approved by Franchisor and leased or acquired by Franchisee hereof, the location shall constitute the Site described in the Franchise Agreement. Franchisee hereby acknowledges and agrees that approval by Franchisor of a site does not constitute a representation, or warranty of any kind, express or implied, as

to the suitability of the site for the Franchised Business or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with minimum acceptable criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and Site may not be predictive of potential for all sites and that, subsequent to approval by Franchisor of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

- 7. This Addendum shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and affirmed.
- **8.** IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Site Selection Addendum on the dates set forth below.

FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	FRANCHISEE:
By:	By:
Title:	Title:
Date:	Date:
INDIVIDUAL FRANCHISEE:	INDIVIDUAL FRANCHISEE:
Signature	Signature
Print	Print
Name	Name
Availe .	Nume
Date:	Date:



EXHIBIT B. AREA DEVELOPER AGREEMENT

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

AREA DEVELOPER AGREEMENT
AREA DEVELOPER AGREEMENT
BETWEEN
040 Francius Constitut II C
810 FRANCHISE CONCEPTS, LLC
FRANCHISOR
T IVANCING ON
AND
FRANCHISEE
Location (Common Territory Name)
2000tion (common remior)
DATED
DATED

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Exhibits

EXHIBIT 1. DEVELOPMENT AREA EXHIBIT 2. DEVELOPMENT SCHEDULE

810 FRANCHISE CONCEPTS, LLC

AREA DEVELOPMENT AGREEMENT

RECITALS

- A. Franchisor has developed, and is in the process of further developing, a format and system consisting of uniform standards, methods, procedures and specifications for the operation of 810 Entertainment (the "System") identified by the service marks "810 Entertainment" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used (collectively, the "Marks") in connection with, and relating to, the establishment and operation of a business offering and selling bowling, gaming, entertainment, and bar services Franchised Business(each, a "Franchised Business");
- B. Franchisor and Developer desire to enter into an area development agreement under which Developer shall obtain the exclusive right to establish and operate a specified number of Franchised Businesses within a specified geographical area upon the terms and conditions contained in Franchisor's then-current standard franchise agreement (each, a "Franchise Agreement"); and
- C. Developer and Franchisor have entered into that certain Franchise Agreement (the "Initial Franchise Agreement") dated the same date as this Agreement for the establishment and operation of the first Franchised Businesses to be developed under this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing promises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

I. GRANT OF DEVELOPMENT RIGHTS AND DEVELOPMENT AREA

Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Developer the right, and Developer undertakes the obligation, to establish and operate in the area designated in Exhibit 1 of this Agreement (the "Development Area") the number of Franchised Businesses specified in the development schedule on Exhibit 2 (the "Development Schedule"). This Agreement does not grant Developer any right to use the Marks; rights to use the Marks are granted only by Franchise Agreements.

II. FEES

The total amount of the Development Fee is listed on Exhibit 2 (the "Development Fee"). The Development Fee will be applied toward the initial franchise fee due under subsequent Franchise Agreements in the manner specified in Exhibit 2. Developer will pay the balance of the initial franchise fee as so stipulated and due under the then Current Franchise Agreement for each Franchised Business at the time the Franchise Agreement for each Franchised Business is executed. The Development Fee will not be refundable, notwithstanding anything to the contrary in this Agreement or any Franchise Agreement.

III. DEVELOPMENT SCHEDULE

Developer must enter into Franchise Agreements and open and operate 810 Entertainment Franchised Business in accordance with the deadlines set forth in the Development Schedule. By each "Fee Deadline" specified in the Development Schedule, Developer must have delivered to Franchisor an initial franchise fee and a signed copy of Franchisor's then-current standard form of Franchise Agreement for the number of 810 Entertainment Franchised Businesses specified on the Development Schedule. By each "Opening Deadline" specified in the Development Schedule, Developer must have the specified number of 810 Entertainment Franchised Businesses open and operating. Developer must locate the 810 Entertainment Franchised Businesses only at sites that Franchisor has accepted in accordance with the terms of the applicable Franchise Agreement.

IV. DEVELOPMENT AREA

A. Exclusivity

While this Agreement is in effect, provided that Developer opens and operates 810 Entertainment Franchised Businesses in accordance with the Development Schedule, and the minimum number of Franchised Business that Developer has open and is operating in the Development Area at any given time is not less than the minimum required pursuant to the Development Schedule, Franchisor will not operate, or license any person or entity other than

Developer to operate an 810 Entertainment Franchised Businesses under the Marks and the System within the Development Area.

B. No Other Restrictions

Developer acknowledges that, except to the extent expressly provided in herein, Franchisor expressly retains all rights and discretion with respect to the Marks and System, including the right to:

- 1. establish, and license others to establish, 810 Entertainment Franchised Businesses at any location outside of the Development Area;
- 2. establish, and license others to establish, businesses [other than a Competitive Business (as defined below)] under other systems using other proprietary marks at such locations, including within the Development Area, and on such terms and conditions as Franchisor deems appropriate;
- 3. purchase or otherwise acquire the assets or controlling ownership of, and thereafter continue to own and operate, one or more businesses identical or similar to the 810 Entertainment Franchised Businesses (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Development Area, which does not use the Marks;
- **4.** acquire (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Development Area;
- 5. sell the services and products authorized for Franchised Business using the Marks or other trademarks, service marks and commercial symbols through alternate channels of distribution, such as joint marketing with partner companies, direct mail, catalog sales, Internet sites and co-branding strategies, pursuant to such terms and conditions as Franchisor deems appropriate; and
- 6. own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks in any temporary or permanent venue where there is a captive audience and where the primary purpose is other than patronizing an 810 Entertainment business (referred herein as a "Special Venue"), in the way of examples, but not an exhaustive list: malls, entertainment and sports centers, military bases, transportation facilities, supermarkets, service stations, and carnivals within the Development Area or outside of the Territory.

- 7. contract with a customer whose offices, stores, plants, buildings, or other physical facilities are not confined to the territory of a single 810 Entertainment territory or the trading area of a single Franchise, Franchisor-owned or Affiliate-owned business (referred to herein "Special Accounts"). If Franchisor establishes a contract for facilities of a Special Account located in the Development Area, Franchisor. its affiliates or a franchisee or licensee may fulfill the contract requirements to the Special Account in the Development Area.
- **8.** engage in any activities not expressly forbidden by this Agreement.

V. Competitive Business

For purposes of this Agreement, "Competitive Business" means any business that operates, manages, offers or provides (or grants franchises or licenses to others to operate a business that operates, manages, offers or provides), directly or indirectly, bowling, gaming, entertainment, and bar services or similar services as are customarily offered by a Franchised Businesses, or in which trade secrets or other confidential information could be used to the disadvantage of Franchisor or its other franchisees.

VI. Term

This Agreement expires at midnight on the last Opening Deadline date listed on the Development Schedule, unless this Agreement is terminated sooner as provided in this Agreement.

VII. Termination

C. Events of Default

Any one or more of the following constitutes an "Event of Default" hereunder:

- Developer fails to pay any initial franchise fee or execute any Franchise Agreement by any Fee Deadline specified in the Development Schedule;
- 2. Developer fails to have opened and maintained in continuous operation the minimum number of 810 Entertainment Franchised Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;
- **3.** A default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or

4. Developer breaches or otherwise fails to comply fully with any other provision contained in this Agreement herein or any other agreement between the Franchisor and/or its Affiliates.

D. Remedies

If any Event of Default occurs, Franchisor may declare this Agreement and any and all other rights granted to Developer under this Agreement to be immediately terminated and of no further force or effect, as follows:

- Upon termination of an Event of Default listed herein, Franchisor's sole remedies under this Agreement will be retention of the Development Fee and termination of this Agreement. A failure to open and thereafter operate 810 Entertainment Franchised Businesses in accordance with the Development Schedule will not, in itself, constitute cause for Franchisor to terminate any previously executed Franchise Agreement.
- 2. Upon termination of this Agreement for any other reason whatsoever, Franchisor shall be entitled to retain the Development Fee, and Developer will not be relieved of any of its obligations, debts, or liabilities hereunder, including without limitation any debts, obligations, or liabilities which have accrued prior to such termination. The right of termination granted by this Agreement is in addition to, and not in lieu of, any and all other rights and remedies available to Franchisor at law, in equity, or otherwise, including without limitation the right to injunctive relief, all of which are cumulative.

VIII. Assignment

A. By Franchisor

This Agreement is fully assignable by Franchisor and will inure to the benefit of any assignee or another legal successor to Franchisor's interest.

B. By Developer

This Agreement and the rights granted to Developer under this Agreement are personal to Developer and neither this Agreement, nor any of the rights granted to Developer hereunder nor any controlling equity interest in Developer, may be voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by Developer without the prior written consent of Franchisor. Any purported assignment or 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, for which Franchisor may terminate this Agreement without the opportunity to cure. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee or in

this Franchise; provided, however, that prior to the transfer, Franchisor may, in its sole discretion, require that:

- 1. All of Franchisee's accrued monetary obligations to Franchisor and all other outstanding obligations related to the Franchised Businesses under this Agreement shall have been satisfied.
- 2. The transferee Developer shall enter into a written assumption, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of the Developer's obligations under this Agreement prior to and after the date of the assumption.
- 3. The transferee developer shall demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital as required by this Agreement.
- **4.** Any right of Developer to any payments from the transferee developer resulting from the transfer shall be subordinate to any claim or right of Franchisor against the transferee developer subsequent to the effective date of the transfer, and Developer and the transferee developer shall execute any and all instruments reasonably required by Franchisor to evidence such liability.
- **5.** Either Franchisee or the transferee franchisee shall pay Franchisor a transfer fee of \$20,000.

C. Franchisor's First Right of Refusal

If (i) Developer would like to accept a bona fide offer from a third party to purchase its interest in this Agreement, (ii) any of its legal or equitable owners (each, an "Owner"; who are all listed on Exhibit 2 hereto) desires to accept an offer from a third party to purchase all or a portion of their equity interests in Developer that would result in the transfer of control of Developer (as Franchisor determines), or (iii) if Developer or such Owners desire to sell such interests and have found a willing buyer of such interests; Developer or such Owners will (a) notify Franchisor in writing of such offer, (b) offer to sell the same interests to Franchisor upon the same terms and conditions, and (c) provide such information and documentation relating to such offer as Franchisor requires. Franchisor has the right, exercisable within 30 days after receipt of such offer, information, and documentation, to send written notice to Developer (or the applicable Owner(s)) that Franchisor intends to purchase the offered interests on the same economic terms and conditions offered by or to the third party or, at Franchisor's option, the cash equivalent thereof. If Franchisor elects to purchase such interests, closing will occur within 90 days after the date of Franchisor's notice to the seller electing to purchase the interest. If Franchisor does not elect to purchase such interest within the 30-day period, Developer or such Owners may sell or transfer their offered interests to a third party; provided that such sale

or transfer: (i) is made within 90 days after Franchisor gives notice of its election, (ii) is made at a price and on the same material terms as those offered to Franchisor, and (iii) is made in full compliance with all applicable requirements of this Agreement.

The right of first refusal set forth herein will not be applicable to assignments, transfers, or sales of Developer's interest in this Agreement or any equity interest in Developer, made to Developer or, if Developer is an Entity, any of its Owner's spouse or child or any other existing Owners, provided that the applicable requirements of each Franchise Agreement and this Agreement are complied with fully.

IX. Developer's Covenant Not to Compete

A. Covenants during Term of Franchise Agreement

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the design, development, and operation of the Franchised Business, procedures and techniques of the 810 Entertainment Method, and sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person, persons, partnership, or corporation:

- divert or attempt to divert any business or customer of the Franchised Business or of any other franchisee of Franchisor 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 Marks and the System; or
- 2. employ or seek to employ any person who is at that time employed by Franchisor or any franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment; or
- **3.** own, maintain, engage in, or have any interest in any business offering bowling, gaming, entertainment, and bar services, or any other products or services that are offered in the Franchised Business, unless otherwise consented to in writing by Franchisor.

B. Covenants after Termination of Franchise Agreement

Franchisee further covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person, persons, partnership or corporation:

- 1. for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, own, maintain, operate, engage in, or have any interest in any business offering bowling, gaming, entertainment, and bar services, or any other services that had been offered by the Franchised Business, within twenty-five (25) miles of any 810 Entertainment Franchised Business; or
- 2. for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for three (3) years thereafter, directly or indirectly solicit or perform services for any person who was a customer of the Franchised Business at any time during the term of this Agreement.
- **3.** Franchisee and Franchisor agree that the covenants contained in this Section B shall survive the expiration, termination or cancellation of this Agreement.

C. Exclusion for Publicly Traded Company

Developer's Covenant not to Compete in this Section shall not apply to the beneficial ownership by Franchisee of less than five percent (5%) of the outstanding equity securities of any corporation that is registered under the Securities and Exchange Act of 1934.

D. Severability

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

E. Execution of Covenants by Key Personnel

At the request of Franchisor, Franchisee shall provide Franchisor with executed Restrictive Covenant Agreements, containing covenants similar in substance to those set forth in this Section (including covenants applicable upon the termination of a person's relationship with Franchisee), from each manager, officer, director, and Principal of Franchisee. With respect to

each person who becomes associated with Franchisee in one of the capacities enumerated above subsequent to the execution of this Agreement, Franchisee shall require and obtain such covenants from them and promptly provide Franchisor with executed copies thereof. In no event shall any person enumerated above be granted access to any confidential aspect of the System or the Franchised Business prior to their execution of such a covenant. All covenants required by this Section shall be in forms satisfactory to Franchisor, including, without limitation, the specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. The failure by Franchisee to obtain the execution of the covenants required by this Section and provide the same to Franchisor shall constitute a material breach of this Agreement.

X. Miscellaneous

A. Independent Contractor and Indemnification

It is understood and agreed that nothing in this Agreement shall create a partnership, employment or agency relationship between Franchisor and Franchisee, or authorize Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name. Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action by Franchisee. Franchisor shall not be liable to any third party for any act or omission of Franchisee in any of its operations hereunder (including, without limitation, any claim or action against Franchisee for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefore against Franchisee. Franchisee shall indemnify and hold Franchisor harmless from and against any and all claims, debts, liabilities or obligations arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the Franchised Business (excluding, however, liabilities caused by (i) Franchisee's improper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor's negligence), and shall pay all costs (including, without limitation, attorney and accountant fees) incurred by Franchisor in defending against and/or responding to them. FRANCHISEE SHALL DISPLAY PROMINENTLY AT ITS PLACE OF BUSINESS, ON ALL CORRESPONDENCE WITH THIRD PARTIES, AND IN ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE.

B. Entire Agreement

This Agreement, together with the exhibits attached hereto, constitutes the entire Agreement between the parties hereto and supersedes any prior agreements between such parties. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. its exhibits and amendments. This Agreement may not be modified or amended except by written instrument

signed by each of the parties hereto, expressing such amendment or modification. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercises thereof or the exercise of any other right, power or remedy. This Agreement may not be modified or amended except by written instrument signed by each of the parties hereto, expressing such amendment or modification.

C. Benefit

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement shall not be assigned by Franchisee without the prior written consent of Franchisor.

D. Construction

This Agreement was accepted by Franchisor in South Carolina. Except to the extent governed by the U.S. Trademark Act of 1946, this Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina; provided, however, that if any of the covenants contained in this Agreement would not be enforceable under the laws of South Carolina and the Franchised Business is located outside of South Carolina, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Business is located. South Carolina law shall prevail in the event of any conflict of law, except as specifically provided otherwise by any applicable state franchise investment laws, rules or regulations. If any provision of this Agreement relating to termination, nonrenewal or assignment of the franchise, or choice of law, jurisdiction or venue is inconsistent with any applicable state franchise investment law, rules or regulations, such applicable state law shall apply. Any addendum to this Agreement required by the regulatory authorities of any state for the purpose of disclosing salient provision of such state's law is hereby made a part hereof.

E. Jurisdiction and Venue

Franchisee hereby irrevocably agrees that subject to Franchisor's sole and absolute election, any and all suits, actions or other proceedings with respect to, arising out of or in connection with this Agreement shall be litigated in courts having a situs within Horry County, South Carolina. Franchisee hereby consents and agrees that the following courts shall have personal jurisdiction over Franchisee in all lawsuits relating to or arising out of this Agreement, and hereby submits to the jurisdiction of the following courts and irrevocably waives any defense Franchisee may have of lack of personal jurisdiction in any such lawsuits filed in these courts: (a) all courts included within the state court system of the State of South Carolina; and (b) all courts of the United States of America sitting within the State of South Carolina, including, without limitation, all United States District Courts within the State of South Carolina.

Franchisee hereby consents and agrees that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and hereby irrevocably waives any right Franchisee may have to transfer or change the venue in any such lawsuits filed in these courts: (a) the state court of the county where Franchisor has its principal place of business. In the event any of these courts are abolished, Franchisee agrees that venue shall be proper in the state or federal court in South Carolina that most closely approximates the subject matter jurisdiction of the abolished court as well as any of these courts that are not so abolished. Any and all lawsuits filed by Franchisee against Franchisor (whether in breach of the arbitration provisions of this Agreement or not) relating to or arising out of this Agreement shall be required to be filed in one of these courts. Any and all lawsuits filed by Franchisor against Franchisee may be filed in any of these courts or in any court in which jurisdiction and venue are proper. In all lawsuits relating to or arising out of this Agreement, Franchisee consents and agrees that Franchisee may be served with process outside the State of South Carolina in the same manner of service that may be made within the State of South Carolina by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction. Franchisee hereby waives any defense it may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

F. Headings

The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provision of this Agreement.

G. Notices

All payments shall be made to, and all notices, requests, demands and other communications hereunder shall be deemed to have been duly received by, the person to whom addressed when personally delivered or forty-eight (48) hours after deposit in the United States mail, postage prepaid, addressed:

In the case of Franchisor: 810 Franchise Concepts, LLC 1220 Moser Dr., Myrtle Beach, South Carolina 29577 or to such other persons or address as Franchisor may from time

	l Page
in the case of Franchisee: at:	

H. Severability.

In the event that any provision of this Agreement, in whole or in part (or the application of any provision to a specific situation), shall be held, by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this Agreement, such invalidity shall be limited to such specific provision or portion thereof (or to such situation), and this Agreement shall be construed and applied in such manner as to minimize such invalidity. All other provisions of this Agreement shall otherwise remain in full force and effect.

If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any jurisdiction any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor shall have the unlimited right to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisor agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it was separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or operating procedure prescribed by Franchisor, any portion or portions that a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Any such modifications to this Agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

I. Survival of Covenants

All provisions of this Agreement which, by their terms, are intended to survive the termination or expiration of this Agreement (such as, by way of illustration and not limitation, the provisions relating to confidential information, indemnification, post-termination competition, and the Marks), and all provisions hereof necessary to enforce and interpret such provisions (such as, by way of illustration and not limitation, the provisions relating to arbitration and

injunctive relief), shall survive the termination, expiration or cancellation of this Agreement or the franchise granted hereunder.

J. No Third-Party Beneficiaries

Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or entity, not a party hereto.

K. Counterparts.

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

XI. ENFORCEMENT

A. Injunctive Relief

Franchisor shall be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to (a) Franchisee's use of the Marks; (b) the obligations of Franchisee upon the termination or expiration of this Agreement; (c) Covenants of Franchisee; (d) any assignment or transfer of this Agreement or any ownership interest contrary to this Agreement; or (e) as necessary to prohibit any act or omission by Franchisee or its employees or agents: (i) that would constitute a violation of any applicable law, ordinance, or regulation: (ii) that is dishonest or misleading to Franchisor and/or Franchisor's other franchisees; or (iii) that, in Franchisor's reasonable judgment, may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the Franchised Business, Franchisor, the System or the Marks.

B. Arbitration

Except as otherwise provided herein, any claim or controversy arising out of or related to this Agreement, or the breach thereof, shall be settled by mandatory binding arbitration in Horry County, South Carolina, in accordance with the U.S. Arbitration Act, if applicable, and the Rules of the American Arbitration Association (in accordance with the rules relating to the arbitration of disputes arising from franchise and license agreements, if any, or otherwise in accordance with the general rules of commercial arbitration), provided that at the option of Franchisor or Franchisee the arbitrator shall be selected from a list of retired federal or state judges supplied by the American Arbitration Association (if obtainable, or otherwise in accordance with the customary procedures for selecting an arbitrator). The arbitrator shall allow discovery in accordance with the Federal Rules of Civil Procedure and may apply the sanctions relating to noncompliance with discovery orders therein provided. The arbitrator

shall issue a written opinion explaining the reasons for his or her decision and award, and the Arbitrator shall have the right to award or include in the award the specific performance of this Agreement. Judgment upon the award of the arbitrator will be entered in any court having competent jurisdiction thereof or of the Franchisor of Franchisee. During the pendency of any arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform their respective obligations pursuant to the terms and conditions of this Agreement. All arbitration proceedings will be individual proceedings between Franchisor and Franchisee and will not be conducted on a "class" basis or include any other of our franchisees as named parties unless Franchisor and Franchisee each agree. The arbitration proceedings shall take place in Horry County, South Carolina or the county of the state where the Franchisor is then headquartered.

C. Jury and Special Damages

FRANCHISEE AND FRANCHISOR EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IF THERE IS A DISPUTE WITH THE OTHER, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT INCLUDING REASONABLE ACCOUNTING AND/OR LEGAL FEES AS PROVIDED IN SECTION 22.C. FRANCHISEE WAIVES AND DISCLAIMS ANY RIGHT TO CONSEQUENTIAL DAMAGES IN ANY ACTION OR CLAIM AGAINST FRANCHISOR CONCERNING THIS AGREEMENT OR ANY RELATED AGREEMENT. IN ANY CLAIM OR ACTION BROUGHT BY FRANCHISEE AGAINST FRANCHISOR CONCERNING THIS AGREEMENT, FRANCHISEE'S CONTRACT DAMAGES SHALL NOT EXCEED AND SHALL BE LIMITED TO REFUND OF FRANCHISEE'S FRANCHISE FEE PAYMENTS.

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the Effective Date.

FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	BUSINESS ORGANIZATION DEVELOPER:
Ву:	Ву:
Title:	Title:
Date:	Date:
Signature	Signature
Print Name	Print Name
Date:	Date:

EXHIBIT 1. **DEVELOPMENT AREA**

TO THE AREA DEVELOPMENT AGREEMENT

Development Area is as follows:	
ttach map if necessary]	
FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	BUSINESS ORGANIZATION DEVELOPER:
Ву:	Ву:
<u>Title:</u>	<u>Title:</u>
<u>Date:</u>	<u>Date:</u>
INDIVIDUAL DEVELOPER:	<u>INDIVIDUAL DEVELOPER</u>
<u>Signature</u>	<u>Signature</u>
<u>Print Name</u>	Print Name
Date:	Date:

EXHIBIT 2. **DEVELOPMENT SCHEDULE**

TO THE AREA DEVELOPMENT AGREEMENT

Fees The Development Fee is \$45,000 per additional franchise, which shall be payable 1/2 upon signing the Area Developer Agreement and 1/2 upon signing the franchise agreement for the additional territory,

Development Schedule (Section 3).	Developer agrees to establish and operate a total of
810 Entertainment in accorda	nce with the timetable set forth below

The Minimum Number of 810 Entertainment Franchised Businesses required in Compliance by Each Opening Deadline	Deadline for Executing Franchise Agreement for Each Franchised Business

Ownership of Developer (Section 7.2(a)): If the Developer is an Entity, the following persons constitute all of the owners of a legal and/or beneficial interest in the Developer:

<u>Name</u>	Percentage Ownership
	%

	%
	%
	<u>%</u>
FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	BUSINESS ORGANIZATION DEVELOPER:
By:	Ву:
Title:	<u>Title:</u>
Date:	Date:
INDIVIDUAL DEVELOPER:	INDIVIDUAL DEVELOPER
<u>Signature</u>	<u>Signature</u>
<u>Print Name</u>	<u>Print Name</u>
Date:	Date:



EXHIBIT C. PERSONAL GUARANTY

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

PERSONAL GUARANTY

IN CONSIDERATION for, and as an inducement for 810 Franchise Concepts, LLC (Franchisor) to enter into an 810 Entertainment franchise agreement and any powers of attorney and other instruments dated concurrently herewith (collectively the Franchise Documents) between Franchisor and the business entity identified below (Franchisee), the undersigned (Guarantors) hereby jointly and severally guarantee to Franchisor, and to Franchisor's successors and assigns: (a) the timely payment of all Royalty Fees, late fees, interest charges, and all other fees and charges provided for under the Franchise Agreement; and (b) the timely performance of all of the provisions of the Franchise Documents for and during the term thereof (including all renewals thereof, if any). Guarantors further specifically agree to be individually bound by all covenants, obligations, and commitments of Franchisee contained in each of the Franchise Documents to the same extent as if each of the Guarantors had individually executed the same as Franchisee.

Guarantors understand and agree that any modification of the Franchise Documents, including any addendum thereto, or waiver by Franchisor of the performance by Franchisee of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Franchisee thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Franchise Documents, including any addendum thereto, shall not in any way release Guarantors from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Franchisee is so released, terminated, affected or diminished. Notice to Guarantors of any such modification, waiver, extension or forbearance under the terms thereof is hereby waived.

Guarantors hereby waive any and all notice of default on the part of Franchisee; waive exhausting of recourse against Franchisee; and consent to any assignment of the Franchise Documents, in whole or in part, that Franchisor or its assignees may make. Guarantors agree to pay all costs, including reasonable attorneys' fees, incurred by Franchisor to collect or otherwise enforce the terms of this Guaranty. This Guaranty has been delivered in the State of South Carolina and shall be construed and enforced in accordance with the laws thereof. Jurisdiction and venue in any action to enforce this Guaranty shall be in any state or federal court within the State of South Carolina in the judicial district where Franchisor has its principal place of business. Guarantors consent to the exercise of personal jurisdiction by any such court and waive any defense of lack of personal jurisdiction or improper venue.

GUARANTOR:	
	, Individually
GUARANTOR:	
	, Individually

FRANCHISEE:	
 Ву:	
Its:	
Date:	



EXHIBIT D. RESTRICTIVE COVENANT AGREEMENT

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

RESTRICTIVE COVENANT AGREEMENT

THIS AGREEMENT, by and between,				
(Franchisee), a [corporation] [partnership] [limited liability company] organized under the laws				
of the State of, and,				
(Covenantor), an individual resident of the State of,				
WITNESSETH:				
WHEREAS, pursuant to that certain Franchise Agreement dated (the				
Franchise Agreement), 810 Entertainment (Franchisor) granted Franchisee a franchise to operate an 810 Entertainment Franchised Business (the Franchise), using Franchisor's unique franchise system and Franchisor's trade name and service mark 810 Entertainment and other proprietary marks; and				

WHEREAS, Covenantor is the owner (or spouse of the owner) of the Franchisee.

WHEREAS, Franchisor has expended substantial amounts of time and money in developing the Marks (as hereinafter defined) and Franchisor's distinctive franchise system, including, without limitations, unique sales and marketing methods, pricing techniques, promotional materials, new product development, financial information, and procedures for the efficient operation of an 810 Entertainment Franchised Business, all of which Covenantor acknowledges to be confidential and proprietary information; and

WHEREAS, in connection with the operation of the Franchise, Covenantor will have access to such confidential and proprietary information; and

WHEREAS, as a condition precedent to granting the Franchise to Franchisee, all shareholders, officers, partners, or members of Franchisee must execute the covenants contained herein;

NOW, THEREFORE, as additional consideration and inducement for granting the Franchise to Franchisee, Covenantor hereby agrees and covenants to Franchisee as follows:

- 1. Confidentiality. Covenantor acknowledges the proprietary and confidential nature of Franchisor's operations manual, which Franchisee has received on loan from Franchisor, unique sales and marketing methods, pricing techniques, promotional materials, new product development, financial information, customer or referral lists, procedures for the efficient operation of an 810 Entertainment Franchised Business, and any other methods, procedures, processes, techniques, information, knowledge, or know-how concerning Franchisor's franchise system or Franchisee's Franchise in particular that may not be commonly known to the public or to Franchisee's or Franchisee's competitors and that Franchisor or Franchisee have identified or may identify as proprietary and confidential information (Trade Secrets). Covenantor shall use such Trade Secrets solely for Franchisee's benefit and shall not, during the term of the Franchise Agreement or at any time thereafter, communicate, divulge, or use any Trade Secrets to or for the benefit of any other person, entity or organization.
- **2. Proprietary Marks**. Covenantor acknowledges Franchisor's right, title, and interest in and to the service mark 810 Entertainment, 810 Entertainment Systems, Franchisor's stylized

design, and certain other proprietary service marks, logos, symbols and trade names presently used by Franchisor or that Franchisor may hereafter use or provide for use by Franchisee, and the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in Franchisor's franchise system (the Marks). Covenantor further acknowledges that any use of the Marks outside the scope of the Franchise Agreement without Franchisor's prior written consent would be an infringement of Franchisor's rights in the Marks. Covenantor expressly covenants that he/she shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation thereof during the term of the Franchise Agreement or after the expiration or termination thereof.

- **3. Non-solicitation**. Covenantor covenants that he/she shall not, during the term of the Franchise Agreement and for a continuous and uninterrupted period commencing upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for the periods indicated below, either directly or indirectly, for him/herself or through, on behalf of, or in conjunction with, any person, entity or organization:
- (a) for a period of two (2) years, divert or attempt to divert any business or customer of Franchisee's business, or of any other Franchisee of Franchisor, to any competitor or to Covenantor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that may be injurious or prejudicial to the goodwill associated with the Marks and Franchisor's franchise system; or
- (b) for a period of one (1) year, employ or seek to employ any person who is at that time employed by Franchisee, Franchisor or any other Franchisee of Franchisor, or otherwise directly or indirectly attempt to induce such person to leave his or her employment.
- **4. Non-competition**. Covenantor covenants that, during the term of the Franchise Agreement and for a continuous and uninterrupted period commencing upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, directly or indirectly, for him/herself or through, on behalf of, or in conjunction with any person, entity or organization, own, maintain, operate, engage in, or have any interest in, any business offering bowling, gaming, entertainment, and bar services or any other products or service that have been offered by the Franchised Business, within twenty-five (25) miles of any 810 Entertainment Franchised Business. This restriction shall not apply to the beneficial ownership by Covenantor of less than five percent (5%) of the outstanding equity securities of any corporation whose securities are registered under the Securities and Exchange Act of 1934.
- **5. Remedies.** Covenantor acknowledges that his/her violation of any of the covenants contained in this Agreement would result in irreparable injury to Franchisor and Franchisee, for which no adequate remedy at law may be available, and accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorney fees incurred by Franchisor or Franchisee in obtaining, an injunction enjoining any conduct by Covenantor prohibited by the terms of this Agreement. This remedy shall be in addition to any and all other remedies that may be available to Franchisor or Franchisee.

- **6. Severability**. The parties agree that each of the covenants contained in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant contained herein is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision, Covenantor expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Agreement.
- **7. Effect**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns.
- **8. Construction**. The parties agree that this Agreement shall be deemed to have been entered into in and shall be governed by and construed in accordance with the laws of the State of South Carolina.
- **9.** Jurisdiction. The parties agree that any action based upon this Agreement brought by any party hereto against any other party hereto may be brought within the State of South Carolina in the judicial district in which Franchisor has its principal place of business, and hereby consent to the exercise of personal jurisdiction by any such court and waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.
- **10. Legal Expenses**. In the event a dispute arises under this Agreement, the prevailing party shall be entitled to recover its expenses, including reasonable attorney and accountant fees, in addition to any other relief to which it may be found entitled.
- 11. Franchisor Third-Party Beneficiary. Covenantor and Franchisee acknowledge and intend that the covenants contained in this Agreement shall directly benefit Franchisor, who shall be a third-party beneficiary thereof, entitled to enforce the provisions thereof in Franchisor's own name without Franchisee as a party in any action filed for such purpose, and shall further be entitled to all remedies provided in Section 5 hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement or caused it to be executed by their duly authorized representative, as of the dates set forth below.

	FRANCHISEE:	
Date:	Ву:	
	lts:	
Date:		
	COVENANTOR	



EXHIBIT E. POWER OF ATTORNEY TO ASSIGN TELEPHONE NUMBER

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

POWER OF ATTORNEY TO ASSIGN TELEPHONE NUMBER

The undersigned 810 Entertainment franchisee (Assignor) does hereby irrevocably constitute and appoint 810 Franchise Concepts, LLC, a South Carolina limited liability company (Assignee), the true and lawful attorney-in-fact and agent for Assignor and in Assignor's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Assignee, may be necessary or advisable for the sole purpose of assigning to Assignee or Assignee's designee all of Assignor's right, title and interest in and to any and all telephone numbers of Assignor's 810 Entertainment Franchised Business and all related Yellow Pages, White Pages and other business listings, including but not limited to, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services for Assignor, hereby granting unto Assignee full power and authority to do and perform any and all acts and things which, in the sole discretion of Assignee, are necessary or advisable to be done as fully to all intents and purposes as Assignor might or could itself do, hereby ratifying and confirming all that Assignee may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Assignor has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Assignee will be required to ascertain the authority of Assignee, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Assignee. Any person, firm or corporation dealing with Assignee shall be fully protected in acting and rely on a certificate of Assignee that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Assignor will not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Assignor by Assignee will be deemed to include such a certificate on the part of Assignee, whether or not expressed. This paragraph will survive any termination of this Power of Attorney.

This power of Attorney will terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated evenly herewith by and between Assignee and Assignor. Such termination, however, will not affect the validity of any act or deed that Assignee may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. It is executed and delivered in the State of South Carolina and the laws of the State of South Carolina and will govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

ASSIGNOR (Franchisee):	STATE OF, COUNTY OF, Ss.
[Name of Franchisee]	Acknowledged and subscribed before me, a
By:	Notary Public in and for said County and
	State, this day of
Its:	-
	NOTARY PUBLIC



EXHIBIT F. STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

STATE FRANCHISE REGULATORS

California

Department of Financial Protection Office of the Attorney General and Innovation One Sansome Street Suite 600 San Francisco, CA 941404-4428 1-866-275-2677

Connecticut

Securities & Business Investments Louisiana Division Department of Banking 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230

Florida

Services **Division of Consumer Services** 227 N. Burrough Street City Centre Building, 7th Floor. Tallahassee, FL 32301 (904) 922-2770

Georgia

Governor's Office of Consumer Antitrust and Franchise Unit **Affairs** 2 Martin Luther King Jr. Drive SE 356 West Tower Atlanta, GA 30334-4600 (404) 651-8600

Hawaii

Affairs Business Registration Division 1010 Richards Street Honolulu, HI 96813 (808) 586-2021

Illinois

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

Indiana

Indiana Securities Division 302 West Washington Street Room E111 Indianapolis, IN 46204 (317) 232-6681

Kentucky

Consumer Protection Division P.O. Box 2000 Frankfort, KY 40602-2000 (502) 573-2200

Office of the Attorney General **Consumer Protection Section** PO Box 94005 Baton Rouge, LA 70804-9005 (225) 326-6460

Maryland

Dept. of Agriculture and Consumer Office of the Attorney General Securities Division 200 Saint Paul Place Baltimore, MD 21202-2020 (410) 576-6360

Michigan

Department of Attorney General Consumer Protection Division 670 Law Building Lansing, MI 48913 (517) 373-7117

Minnesota

Department of Commerce Registration Division Dept. of Commerce & Consumer 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-4026

Nebraska

Dept. of Banking & Finance 1200 N Street, Suite 311 P.O. Box 95006 Lincoln, NE 68509 (402) 471-3445

New York

NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st FL New York, NY 10005 212-416-8222

North Carolina

Department of the Secretary of State (804) 371-9276 Securities Division 300 N. Salisbury Street

Raleigh, NC 27603-5909 (919) 733-3924

North Dakota

North Dakota Securities Department State Capitol, Fifth Floor 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712

Rhode Island

Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02910 (401) 462-9587 **South Carolina** Secretary of State 1205 Pendleton Street 525 Edger Brown Building

South Dakota

(803) 734-1958

Columbia, SC 29201

Dept. of Labor and Regulations Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-48233

Texas

Secretary of State **Statutory Document Section** P.O. Box 13563 Austin, TX 78711 (513) 475-1769

Utah

Department of Commerce Division of Consumer Protection 160 East 300 South P.O. Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6601

Virginia

State Corporation Commission Division of Securities & Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219

Washington

Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200 360-902-8760

Wisconsin

Department of Financial Institutions Division of Securities 345 West Washington Avenue, 4th Floor Madison, WI 53703 (608)266-1064

AGENTS FOR SERVICE OF PROCESS

California

Commissioner of Financial Protection and Innovation 1515 K Street, Suite 200 Sacramento, CA 95814-4052

Hawaii

Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813

Illinois

Illinois Attorney General 500 South Second Street Springfield, IL 62706

Indiana

Administrative Office of the Secretary of State
201 State House
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020

Minnesota

Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198

New York

Secretary of State 99 Washington Avenue Albany, NY 12231

North Dakota

Securities Commissioner 5th Floor, 600 East Boulevard Bismarck, ND 58505-0510

Rhode Island

Dept. of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02910

South Dakota

Division of Securities Dept. of Labor and Regulations 124 S. Euclid Suite 104 Pierre, SD 57501

Virginia

Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219

Washington

Director of Dept. of Financial Institutions Security Division 150 Israel Rd SW Tumwater WA 98501

Wisconsin

Commissioner of Securities 101 East Wilson Street Madison, WI 53703



EXHIBIT G. LIST OF FRANCHISEES

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

810 Entertainment Franchisees as of December 31, 2022

State	City	Address	Name	Telephone
AR	Fort Smith	21521 Cavandish Road, Boca Raton, FL 33433	Erik Covitz	954 675 3409
SC	Greeneville	842 Woods Crossing Rd	Greeneville	
FL	Estero	10801 Corkscrew Rd, Suite 50, Estero, FL 33928	Tehinder Sandhu	415 987 6562
NJ	Vineland	3679 S. Delsea Dr. Vineland, NJ 08360	Gurpreet Singh	610 299 2241
FL	Panama City Beach	9902 S. Thomas Dr, Unit 23, Panama City Beach, FL 32408	Seth Glenn	850 614 0969
	Franchis	ees that have signed a franch	ise agreement, but not opene	d
AL	Hoover	3054 Arbor Bend Hoover, AL 35244	Shafiq Samji Lion Entertainments LLC	205 249 5578
CA	Yuba City	1296 Tulio Street Yuba City, CA 95993	Jaswinder Singh Legacy Bowling Corp	530-216-8478
CA	Corona	838 Allegre Dr Corona, CA 92879	Lenin Belangonda LRCA Enterprises LLC	650 452 4302
CA	San Clemente	405 Calle Nina San Clemente, CA 92672	Brian Buchanan Strike Force LLC	909-835-6124
FL	Apollo Beach	7404 Paradiso Dr. Apollo Beach, FL 33572	Thao Le The Legacy One, LLC	617 275 6047
FL	Falls Church, VA	3689 Ambrose Hills Rd. Falls Church, VA 22041	Rahul Kataria Orlando Social LLC	703-945-6060
SC	Florence	1785 Lake Watree Dr. Florence, SC 29501	Vimal Patel GJ01 CORP	352-346-6285
TN	Wilsonville, OR	31050 SW Sandy Court Wilsonville, OR 97070	Brandon Roben	971-404-7740
NJ	Morris Plains, NJ	PO Box 1463	Damon Mitchell	973-487-7621
тх	Missouri	Morristown, NJ 07962 3218 Dry Creek Road Missouri, TX 77459	The Chariot LLC Paril Patel OM MAA KRUPA LLC	832 606 2890
ТХ	Missouri	3218 Dry Creek Road Missouri, TX 77459	Paril Patel ATX-BBL LLC	832 606 2890
NC	Cary, NC	8451 Broderick Pl	Rigvinath Chevala	216-526-6969

State	City	Address	Name	Telephone
		Cary, NC 27519	Xtreme Ventures LLC	
l ₌₁	Parkland, FL	7460 NW 108 th Ave	Roshan Patel	203-815-7864
FL Parkla	Parkialiu, FL	Parkland, FL 33076	SEFL Entertainment LLc	203-813-7804
I NII	Manroa NI	34 Saratoga Lane	Rajesh Bandari	734-355-8663
INJ	NJ Monroe, NJ	Monroe, NJ 08831	A2z FunZone LLC	/34-355-8003
,,	Ctarling VA		Mutyala Rao Potnuru	775 220 2676
VA	Sterling, VA		Ameya Group LLC	775-229-3676



EXHIBIT H. LIST OF FRANCHISEES THAT LEFT THE SYSTEM

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

810 Entertainment Franchisees who left the system.

Below is list of 810 Entertainment Franchisees who left the system during the most recently completed fiscal year or who have not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

State	City	Address	Name	Telephone
	none			

^{*}This franchisee signed but never opened.

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



EXHIBIT I. FINANCIAL STATEMENTS

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

Financial Statements

810 FRANCHISE CONCEPTS, LLC

DECEMBER 31, 2024 AND 2023

810 FRANCHISE CONCEPTS, LLC

FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

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Independent Auditor's Report

To the Board of Directors and Members 810 Franchise Concepts, LLC

4455 Transit Rd., Suite #2A Williamsville, NY 14221 Tel: (716) 634-7253 Fax: (716) 634-0952 Email: jimdry@wddcpas.com Email: jaydry@wddcpas.com

Website: www.wddcpas.com

Opinion

We have audited the accompanying financial statements of 810 Franchise Concepts, LLC, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 810 Franchise Concepts, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 810 Franchise Concepts, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 810 Franchise Concepts, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether
 due to fraud or error, and design and perform audit procedures responsive to those risks.
 Such procedures include examining, on a test basis, evidence regarding the amounts and
 disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of
 expressing an opinion on the effectiveness of 810 Franchise Concepts, LLC's internal
 control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 810 Franchise Concepts, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Williamsville, New York

February 5, 2025

810 FRANCHISE CONCEPTS, LLC BALANCE SHEETS December 31, 2024 and 2023

ASSETS

_	<u>2024</u>	2023
Current assets:		
Cash	\$ 177,573	\$ 9,966
Accounts Receivable	60,250	
Due from related party	348,255	218,364
Deferred commissions	26,713	18,150
Total current assets	612,791	246,480
Property and equipment, net	· <u> </u>	
Other assets:		
Start up costs, net	38,215	42,018
Deferred commissions, net of current	240,413	163,345
Total other assets	278,628	205,363
Total assets	<u>\$ 891,419</u>	<u>\$ 451,843</u>
LIABILITIES AND MEMBE	RS' EQUITY	
Current liabilities		
Deferred franchise fees	\$ 51,670	\$ 27,236
Long term deferred franchise fees, net of current portion	465,033	245,124
Total Liabilities	516,703	272,360
Members' equity	374,716	179,483
Total liabilities and members' equity	<u>\$ 891.419</u>	<u>\$ 451,843</u>

810 FRANCHISE CONCEPTS, LLC STATEMENTS OF INCOME For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues:		
Franchise Fees	\$ 38,406	\$ 28,512
Royalties	203,288	129,806
Gift card income	21,818	5,218
Total Revenue	263,512	163,536
Operating expenses:		
Commissions	26,369	17,669
Licenses & Fees	5,130	5,150
Amortization	3,803	3,802
Professional Fees	4,250	34,982
Franchise Marketing	11,647	-
Outside Services	14,380	
Total operating expenses	65,579	61,603
Net Income	\$ 197,933	\$ 101,933

810 FRANCHISE CONCEPTS, LLC STATEMENTS OF CHANGES IN MEMBERS' EQUITY For the Years Ended December 31, 2024 and 2023

	2024	2023	
Members' Equity - beginning of year	\$ 179,483	\$	93,844
Capital Contribution	-		-
Distributions	(2,700)		(16,294)
Net Income	<u> </u>		101,933
Members' Equity- end of year	\$ 374,716	\$	179,483

810 FRANCHISE CONCEPTS, LLC STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net Income	\$ 197,933	\$ 101,933
Adjustments to reconcile net income to net cash		
provided by (used in) operating activities:		
Depreciation/amortization	3,802	3,802
	-	-
(Increase) decrease in:		
Accounts receivable	(60,250)	
Current assets and other assets	(215,521)	(180,092)
Increase (decrease) in:		
Current liabilities	244,343	92,738
Net cash provided by (used in)operating activities	<u>170,307</u>	18,381
Cash flows from investing activities	-	-
Cash flows from financing activities:		
Member distributions	(2,700)	(16,294)
Member contributions	-	
Net cash provided by (used in) financing activities	(2,700)	(16,294)
Net increase (decrease) in cash	167,607	2,087
Cash - beginning of year	9,966	7,879
Cash - end of year	\$ 177,573	\$ 9,966
Supplemental disclosure of cash flow information:		
Cash payments made for interest	<u>\$</u>	\$
Cash payments made for income taxes	\$	\$ -

The accompanying notes are an integral part of these financial statements.

WDD Wittlin, Dry & Dry, LLP

Certified Public Accountants

Note 1 Organization and Summary of Significant Accounting Policies

Organization and Nature of Business

The Company was incorporated under the laws of the State of South Carolina for the purpose of offering franchise opportunities to entrepreneurs owning their own bowling alley, gaming, entertainment and bar services franchise, utilizing the system created by 810 Concepts Franchising, LLC.

Revenue Recognition

The Company recognizes revenue from franchise fees when the company provides the initial agreed upon services and the franchisee has commenced operations. The Company recognizes revenue from franchise royalty fees during the term of the franchise agreement.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Company considers all instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect on balances outstanding at year end. The company evaluates the collectability of the receivables and records an allowance for credit losses representing its estimate of the expected losses that result from all possible default events over the expected life of the receivables. The receivables are written off against the allowance for credit losses when the account is deemed to be uncollectible.

Income Taxes

No provision is made for income taxes. Taxes are paid by the members on their personal returns with the expectation that any individual tax needs will be funded by distributions from Company funds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

See Independent Auditor's Report.
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810 FRANCHISE CONCEPTS, LLC NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

Note 1 Organization and Summary of Significant Accounting Policies-Continued

Events Occurring After Reporting Date

The Company has evaluated events and transactions that occurred between December 31, 2024 and February 5, 2025, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Leases

Finance and operating leases, with initial terms greater than 12 months, result in the recognition of a right of use asset and lease liability recognized on our balance sheet. Certain leases, with a term of 12 months or less (short-term), do not result in the recognition of right of use assets or lease liabilities. The Company recognizes lease expense for these leases on a straight-line basis over the lease term.

Note 2 Fair Value of Financial Instruments

The carrying amount reported in the balance sheets for cash and cash equivalents, contract receivables, accounts payable and accrued expenses approximates fair value due to the immediate or short-term maturity of these financial instruments.

Note 3 Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 (Topic 606) "Revenue from Contracts with Customers". Topic 606 supersedes the revenue recognition requirements in Accounting Standards Codification (ASC) Topic 605 "Revenue Recognition", and requires entities to recognize revenue when control of promised goods or services is transferred to customers at the amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods and services.

The Company's revenues are derived from franchisor services rendered to franchisee's. Revenue is recognized as the service is rendered to the franchisee, in an amount that reflects the consideration the Company expects to receive in exchange for the service.

See Independent Auditor's Report.

810 FRANCHISE CONCEPTS, LLC NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

Note 3 Revenue Recognition - Continued

Contact Balances

Contract balances from contracts with customers were as follows:

	Contract Assets			Contract Liabilities			
	<u>2024</u>	<u>2023</u>	<u>2024</u>		<u>2023</u>		
Beginning of year	\$ 181,495	\$ 123,664	\$ 272,3	60 \$	179,622		
End of year	\$ 327,376	\$ 181,495	\$ 516,7	03 \$	272,360		

Disaggregation of Revenue

The Company operates as a Franchisor of bowling alley, gaming, entertainment and bar service franchises. The company recognizes revenue at a point in time, as the service (franchising) is rendered to the franchisee, in an amount that reflects the consideration the Company expects to receive in exchange for the service.

Performance Obligations

The Company's performance obligations in the contracts (franchise fees) are typically satisfied when the service is rendered to customer (franchisee) (establishes the franchise). Royalties are recognized when franchisee is in operation. Revenue is recognized at this point in time. The satisfaction of the performance obligations under the terms of the contract gives rise for the right to payment from the customer.

Significant Judgments

The Company recognizes revenue at a point in time, as the service is rendered to the customer (franchisee), in an amount that reflects the consideration the Company expects to receive in exchange for the service. Management believes this is the best method to measure revenue.

Note 4 Deferred Revenue

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606") as adjusted by ASU 2021-02, the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2024 and 2023 are \$516,703 and \$272,360, respectively. The deferred commissions as of December 31, 2024 and 2023 are \$267,126 and \$181,495, respectively.

See Independent Auditor's Report.

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Note 5 Income Taxes

The Company files income tax returns in the U.S. Federal jurisdiction. The Company is no longer subject to U.S. Federal examinations by tax authorities for years before 2020.

The Company adopted the provisions of FASB ASC 740-10, under the provisions of FASB Accounting Standards Update 2009-06, effective January 1, 2009. There is no liability for unrecognized tax benefits as of December 31, 2024 and 2023.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in interest expense and penalties in the statement of income. During the years ended December 31, 2024 and 2023, the Company did not recognize any related interest or penalties in the balance sheet or statement of income.

The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

Note 6 Franchise Agreement

The terms of the Company's franchise agreement will be as follows:

- A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- B. The franchisee is obligated to pay a non-refundable initial franchise fee.
- C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.

Note 7 Commitments and Contingencies

The Company does not carry general liability insurance, nor is it self-insured.

Note 8 Related Party Transactions

From time to time, the Company makes advances to its member or related companies. These advances bear no interest and are due upon demand. At December 31, 2024 and 2023 the balances due to the Company was \$348,225 and \$218,364.

See Independent Auditor's Report.

WDD Wittlin, Dry & Dry, LLP

Gertified Public Accountants

Financial Statements

810 FRANCHISE CONCEPTS, LLC

DECEMBER 31, 2023 AND 2022

810 FRANCHISE CONCEPTS, LLC

FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022

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Wittlin, Dry & Dry, LLP

Certified Public Accountants

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Independent Auditor's Report

To the Board of Directors and Members 810 Franchise Concepts, LLC

Opinion

We have audited the accompanying financial statements of 810 Franchise Concepts, LLC, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 810 Franchise Concepts, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 810 Franchise Concepts, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 810 Franchise Concepts, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of
 expressing an opinion on the effectiveness of 810 Franchise Concepts, LLC's internal
 control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 810 Franchise Concepts, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Wattin, Aug & Aug LLA

Williamsville, New York February 15, 2024

810 FRANCHISE CONCEPTS, LLC BALANCE SHEETS December 31, 2023 and 2022

ASSETS

	<u>2023</u>	2022
Current assets:		
Cash	\$ 9,966	\$ 7,879
Due from related party	218,364	96,103
Deferred commissions	18,150	12,366
Total current assets	246,480	116,348
Property and equipment, net		
Other assets:		
Start up costs, net	42,018	45,820
Deferred commissions, net of current	163,345	111,298
Total other assets	205,363	157,118
Total assets	<u>\$ 451,843</u>	\$ 273,466
LIABILITIES AND MEMBERS' E	QUITY	
Current liabilities		
Deferred franchise fees	\$ 27,236	\$ 24,991
Long term deferred franchise fees, net of current portion	245,124	154,631
Total Liabilities	272,360	179,622
Members' equity	179,483	93,844
Total liabilities and members' equity	\$ 451,843	\$ 273,466

The accompanying notes are an integral part of these financial statements. -4-

810 FRANCHISE CONCEPTS, LLC STATEMENTS OF INCOME

For the Years Ended December 31, 2023 and 2022

					2023		2022
Revenues:			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	4			
Franchise Fees				\$	28,512	\$	71,304
Royalties					129,806		2,675
Gift card income					5,218		
Total Revenue					163,536	-	73,979
Operating expenses:							
Commissions					17,669		9,528
Licenses & Fees					5,150		7,217
Amortization					3,802		3,802
Professional Fees					34,982		-
Dues & Subscriptions				-			5,152
Total operating expe	enses				61,603		25,699
Net Income				\$	101,933	\$	48,280



810 FRANCHISE CONCEPTS, LLC STATEMENTS OF CHANGES IN MEMBERS' EQUITY For the Years Ended December 31, 2023 and 2022

	2023	2022
Members' Equity - beginning of year	\$ 93,844	\$ 39,432
Capital Contribution		8,432
Distributions	(16,294)	(2,300)
Net Income	101,933	48,280
Members' Equity- end of year	\$ 179,483	93,844



810 FRANCHISE CONCEPTS, LLC STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2023 and 2022

			<u>2023</u>		<u>2022</u>
Cash flows from operatin	g activities:				
Net Income			\$ 101,933	\$	48,280
Adjustments to reconcil	e net income to	net cash			
provided by (used in					
F	, -F 8				
Depreciation/amortization	ation		3,802		3,802
			-		-
(Increase) decrease in					
Current assets and	other assets		(180,092)		(86,867)
Increase (decrease) in:					
Current liabilities	•		92,738		35,696
Current national			72,730	-	33,090
Net cash provided by (use	ed in)operating	activities	18,381	_	911
Cash flows from investing	g activities		-		-
Cash flows from financing	g activities:				
Member distributions	8		(16,294)		_
Member contributions			(10,251)		6,132
				_	0,152
Net cash provided by (use	ed in) financing	activities	(16,294)		6,132
Net increase (decrease) in	cash		2,087		7,043
Cash - beginning of year			7,879		836
Cash - end of year			\$ 9,966	\$	7.879
				<u>v</u>	1,32.12
Supplemental disclosure o		rmation:			
Cash payments made for it			\$	\$	
Cash payments made for it	ncome taxes		\$	\$	



Note 1 Organization and Summary of Significant Accounting Policies

Organization and Nature of Business

The Company was incorporated under the laws of the State of South Carolina for the purpose of offering franchise opportunities to entrepreneurs owning their own bowling alley, gaming, entertainment and bar services franchise, utilizing the system created by 810 Concepts Franchising, LLC.

Revenue Recognition

The Company recognizes revenue from franchise fees when the company provides the initial agreed upon services and the franchisee has commenced operations. The Company recognizes revenue from franchise royalty fees during the term of the franchise agreement.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Company considers all instruments with an original maturity of three months or less to be cash equivalents.

Income Taxes

No provision is made for income taxes. Taxes are paid by the members on their personal returns with the expectation that any individual tax needs will be funded by distributions from Company funds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Events Occurring After Reporting Date

The Company has evaluated events and transactions that occurred between December 31, 2023 and February 15, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

See Independent Auditor's Report.
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WDD Wittlin, Dry & Dry, LLP

Certified Public Accountants

Note 1 Organization and Summary of Significant Accounting Policies-Continued

Finance and operating leases, with initial terms greater than 12 months, result in the recognition of a right of use asset and lease liability recognized on our balance sheet. Certain leases, with a term of 12 months or less (short-term), do not result in the recognition of right of use assets or lease liabilities. The Company recognizes lease expense for these leases on a straight-line basis over the lease term.

Note 2 Fair Value of Financial Instruments

The carrying amount reported in the balance sheets for cash and cash equivalents, contract receivables, accounts payable and accrued expenses approximates fair value due to the immediate or short-term maturity of these financial instruments.

Note 3 Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 (Topic 606) "Revenue from Contracts with Customers". Topic 606 supersedes the revenue recognition requirements in Accounting Standards Codification (ASC) Topic 605 "Revenue Recognition", and requires entities to recognize revenue when control of promised goods or services is transferred to customers at the amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods and services.

The Company's revenues are derived from franchisor services rendered to franchisee's. Revenue is recognized as the service is rendered to the franchisee, in an amount that reflects the consideration the Company expects to receive in exchange for the service.

Contact Balances

Contract balances from contracts with customers were as follows:

	Contract Assets		<u>Co</u>	Contract Liabilities		
	<u>2023</u>	<u>2022</u>		<u>2023</u>		<u>2022</u>
Beginning of year	\$ 123,664	\$ 68,792	\$	179,622	\$	143,927
End of year	\$ 181,495	\$ 123,664	\$	272,360	\$	179,622

See Independent Auditor's Report.

WDD Wittlin, Dry & Dry, LLP

Note 3 Revenue Recognition - Continued

Disaggregation of Revenue

The Company operates as a Franchisor of bowling alley, gaming, entertainment and bar service franchises. The company recognizes revenue at a point in time, as the service (franchising) is rendered to the franchisee, in an amount that reflects the consideration the Company expects to receive in exchange for the service.

Performance Obligations

The Company's performance obligations in the contracts (franchise fees) are typically satisfied when the service is rendered to customer (franchisee) (establishes the franchise). Royalties are recognized when franchisee is in operation. Revenue is recognized at this point in time. The satisfaction of the performance obligations under the terms of the contract gives rise for the right to payment from the customer.

Significant Judgments

The Company recognizes revenue at a point in time, as the service is rendered to the customer (franchisee), in an amount that reflects the consideration the Company expects to receive in exchange for the service. Management believes this is the best method to measure revenue.

Note 4 Deferred Revenue

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606") as adjusted by ASU 2021-02, the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2023 and 2022 are \$272,360 and \$179,622, respectively. The deferred commissions as of December 31, 2023 and 2022 are \$181,495 and \$123,664, respectively.

Note 5 Income Taxes

The Company files income tax returns in the U.S. Federal jurisdiction. The Company is no longer subject to U.S. Federal examinations by tax authorities for years before 2019.

See Independent Auditor's Report.

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Note 5 Income Taxes-Continued

The Company adopted the provisions of FASB ASC 740-10, under the provisions of FASB Accounting Standards Update 2009-06, effective January 1, 2009. There is no liability for unrecognized tax benefits as of December 31, 2023 and 2022.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in interest expense and penalties in the statement of income. During the years ended December 31, 2023 and 2022, the Company did not recognize any related interest or penalties in the balance sheet or statement of income.

The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

Note 6 Franchise Agreement

The terms of the Company's franchise agreement will be as follows:

- A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- B. The franchisee is obligated to pay a non-refundable initial franchise fee.
- C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.

Note 7 Commitments and Contingencies

The Company does not carry general liability insurance, nor is it self-insured.

Note 8 Related Party Transactions

From time to time, the Company makes advances to its member or related companies. These advances bear no interest and are due upon demand. At December 31, 2023 and 2022 the balances due to the Company was \$218,364 and \$96,103.

See Independent Auditor's Report.

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EXHIBIT J. TABLES OF CONTENTS OF OPERATING MANUAL

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

810 ENTERTAINMENT

Franchise Operations Manual

TENTATIVE Table of Contents and Estimated Page Count

FRONT MATTER (Title page, TOC, Conf Agreement) Est.: 10 pages

1.	1. Welcome and Overview Est:	14 pages
2.	2. Welcome	
3.	3. About 810 Entertainment	••••
	Suggested Startup Checklist	
4.	4. Exhibits to Chapter 1	
5.	5. 1A Suggested Startup Checklist	
6.	6. Finding and Leasing a Location Est.:	11 pages
	Finding a Location	
	Estimating Costs	
	The Leasing Process	
	Lease Execution	
	Renewing Your Lease	
	Other Landlord Interactions	
	Relocation Policy	
	Exhibits to Chapter 2	
	None.	
7.	7. Administration Est: 2	27 pages
	Registration of Your Trade Name or Fictitious Name	
	Communicating with the Franchisor	
	Company Dropbox	
	The Business Week	
	Required Hardware, Software, and Other Technology	
	Record Keeping	
	Accounting	
	Banking Requirements	
	Reporting Requirements	
	Payments to Franchisor	
	Insurance Requirements	
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	Income Handling	
	Exhibits to Chapter 3	
	3A Contents of Company Dropbox	
	3B Example of a Weekly Sales Report	
	3C Example of a Monthly Sales Report	
	3D Example of an Inventory Report	
8.	Design and Buildout Est: 17 pag	
	Your Responsibilities	
	Determine What Licenses or Certifications Are Required	
	Follow Required Layout	
	Initial Design Phase	
	Order Standard Utilities	
	Buildout	
	Order Equipment and Supplies	
	When Construction is Complete	
	Exhibits to Chapter 4	
	4A Sample Store Floorplan	
9.	Ordering and Receiving Equipment and Supplies Est: 20 pag	es
	About Your Orders	
	Relationships with Your Vendors	
	Ordering Kitchen Equipment and Smallware	,
	Ordering Branded/Logoed Packaging	,
	Ordering Computers, Software, and Other Technology	
	Ordering Signage and Décor Items	
	Ordering Uniforms	
	Ordering Office Supplies	
	Ordering Promotional Materials	
	Receiving Non-Food Items	
	Ordering Food	
	Receiving and Storing Food	
	Exhibits to Chapter 5	
	5A Kitchen Equipment List	
	5B Smallware List	
	5C Examples of Branded/Logoed Packaging	
	5D Suggested Office Supplies	
10	Ordering Signage and Décor Est: 21 pag	•
	Franchisor-Required Signage	
	Using Non-Approved Signage	
	Signage Restrictions	
	Possible Main Signage Alternatives	
	Other Required Signage	
	Optional Signage	
	Required Décor	
	Exhibits to Chapter 6	

	6A Photos of Exterior Signage			
	6C Photos of FOH Signage			
	6D Photos of BOH/Kitchen/Backroom Signage			
	6E Site Décor Descriptions			
	6F Photos of Individual Room Decor			
	ETC			•
11.		Est:	41 p	ages
	Prepare for Hiring			
	Staffing Requirements			
	Hiring Procedures			
	Orientation			
	Franchisor-Led Training and Assistance			
	Employee Policies			
	Day-to-Day Employee Management			
	Exhibits to Chapter 7			
	7A Application			
	7B Employee Handbook Table of Contents			
	7C Confidentiality Agreement			
	7D Acknowledgement of Receipt Form			
	7E Conditional Employee/Food Employee Reporting			
	Agreement Form			
	7F Photo of Employee Uniform			
	7G Annual Review Form			
	7H Disciplinary Action Form			
12.	Menus, Services, and Food Preparation			28 pages
	About Our Services and Food			
	Items for Sale			
	Services			
	Menu			
	Pricing			
	Food Safety			
	Menu Item Preparation			
	Menu Item Packaging			
	Exhibits to Chapter 8			
	8A Menu(s)			
	8B Recipes			
	8C Photos of Menu Item Packaging			
12	Compies Deliaise and Operational Busined		F.1. 4	24
13.	Service Policies and Operational Procedures			34 pages
	Customer Policies			
	Submitting a Change Request for Franchisor Approva			
	General Housekeeping Procedures			
	Management/General Procedures			
	Hosts/Reservation\Walk-In Procedures			

Kitche	n Procedures	
Bar an	nd Server	Procedures
Exhibit	ts to Chapter 9	
9A	Major Administrative Activities	
9B	Administrative Management Checklist	
14. Market	ting - E	st: 33 pages
Marke	eting Requirements	
	f Logos and Trademarks	
	hisor Marketing Assistance	
	Promoting and Marketing Concepts	
	fying Audience, Competitors, and Prospects	
	oping a Marketing Plan	
	otional Materials	
	nternet Presence	
Marke		
	tising	
	Relations	
	Roots Techniques	
	eting Pitfalls to Avoid	
	ding Results of Your Campaign	
	ts to Chapter 10	•••••
10A	Example of a Brochure	
10A 10B	Example of a Business Card	
10B 10C	Example of a Postcard Mailer	
10C 10D	Example of a Gift Card	
10D 10E	Customer Comment Card	
10E 10F		
	Example of a Newspaper Ad	
		: 15 pages
	ning Cleaning Tasks	
	nning Process	
	o Sanitize	
	ing and Maintenance Supplies	
	or Cleaning Procedures	
	or Maintenance Procedures	
	ment Cleaning and Maintenance	
	Preventive Maintenance Tasks	
	acted Cleaning Services	•••••
	ts to Chapter 11	
None.		
		Est.: 22 pages
	Security	
	cal Security	
	-Deterring Operational Procedures	
If a Cri	ime Occurs	

1	Natural D	isasters	
F	ires		
F	Power Fa	ilures	
F	Personal	Harm and Injury	
		andle the Media Following an Incident	
		o Chapter 11	
	12A	Suspect Identification Form	
	12B	Incident Report	
17. E	valuatior	ns and Compliance Es	st.: 14 pages
		rtance of Compliance	
		n Access	
		valuation Standards	
F	ranchiso	r Standards	
	Evaluate '	Your Own Business	
	Exhibits t	o Chapter 13	
	13A	Sample Evaluation and Compliance Report	
18. P	reparing	for Opening Day Est.:	16 pages
F	ranchiso	r Grand-Opening Assistance	
١	When Co	nstruction is Complete	
(Opening I	Day Inventory	
		Training	
١	our Grar	nd Opening Event	
A	A Suggest	ed Grand Opening Advertising Plan	
٦	Track You	r Marketing Efforts	
(Opening I	Day Checklist	
(Opening I	Day Key Contact List	
A	A Final W	ord	
E	Exhibits t	o Chapter 14	
	14A	Opening Day Checklist	
	14B	Opening Day Key Contact List (blank)	
A	Appendix	es	
	App1	USA Bowling 101, Team Leaders' Guide	31 pages
	App2	Conqueror POS Manual	104 pages

ESTIMATED TOTAL PAGES: 607



EXHIBIT K. STATE SPECIFIC ADDENDUMS

TO THE 810 Entertainment FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA STATE ADDENDUM TO THE DISCLOSURES, FRANCHISE AGREEMENT, AND AREA DEVELOPMENT AGREEMENT:

- 1. Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.
- 2. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.
- 3. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the franchise disclosure document.
- 3. The franchisor, any person or franchise broker in Item 2 of the UFOC is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
- 4. California Business and Professions Code 20000 through 20043 provides rights to the franchise concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
- 5. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).
- 6. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
- 7. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- 8. The franchise agreement requires binding arbitration. The arbitration will occur in Horry County, South Carolina with the costs being borne by you and us.
- 9. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

- 10. The franchise agreement requires the application of the laws of South Carolina. This provision may not be enforceable under California law.
- 11. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
- 12. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §\$31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §\$20000 through 20043).
- 13. Our website has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the contents of the website may be directed to the California Department of Business Oversight at www.dbo.ca.gov.

HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Hawaii Franchise Investment Law:

The following list reflects the status of our franchise registrations in the states which have franchise registration laws:

- This registration is effective in the states of Florida, Indiana, Kentucky, Nebraska, Texas, and Virginia.
- There are no states which have refused, by order or otherwise, to register these franchises.
- There are no states which have revoked or suspended the right to offer these franchises.

The release required as a condition of renewal, assignment, and transfer will not apply to any liability arising under the Hawaii Franchise Investment Law.

To the extent, this addendum is inconsistent with any terms or conditions of the franchise offering circular, the Franchise Agreement, or any of their exhibits or attachments, the terms of this Addendum control.

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Hawaii Franchise Investment Law:

- 1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Agreement is amended as follows:
 - (a) The Hawaii Franchise Investment Law provides rights to you concerning non-renewal, termination, and transfer of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
 - (b) A general release required as a condition of the renewal, assignment, or transfer of the Franchise Agreement or the franchise granted thereunder shall not apply to any claim or liability arising under the Hawaii Franchise Investment Law.
- 2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this addendum. To the extent, this addendum is inconsistent with any term or condition of the Franchise Agreement or its exhibits or attachments, the terms of this Addendum control. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISOR:	FRANCHISEE:
810 FRANCHISE CONCEPTS, LLC	
Ву:	Ву:
lts:	Its:
Date:	Date:

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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

The following additional disclosures are required by the Illinois Franchise Disclosure Act of 1987, as amended, and the Illinois Disclosure Rules and Regulations:

Illinois law shall apply and govern the Franchise Agreement(s).

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

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

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

Nonrenewal of your franchise must comply with 815 ILCS 705/20. Termination of your franchise must comply with 815 ILCS 705/19.

Any provision in the franchise agreement that requires the application of the laws of another state is void with respect to a claim otherwise enforceable under the Illinois Franchise Disclosure Act.

Any provision in the franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

To the extent, this addendum is inconsistent with any terms or conditions of the franchise disclosure document, the Franchise Agreement, or any of their exhibits or attachments, the terms of this Addendum control.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT AND OTHER AGREEMENTS

The Franchise Agreement to which this addendum is attached, which may have been entered into by and between the below undersigned parties incident to the execution of the Franchise Agreement (collectively referred to as the "Franchise Related Agreements") are amended as follows to comply with the Illinois Franchise Disclosure Act of 1987, as amended, and the Illinois Disclosure Rules and Regulations:

- 1. Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to s Franchisor's financial condition.
- 2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 3. Illinois law shall apply and govern the Franchise Agreement(s).
- 4. In conformance with Section 4 of the Illinois Franchise Disclosure Act. any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
- 5. Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
- 6. In conformance with section 41 of the Illinois Franchise Disclosure Act. any condition. stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- 7. Termination and nonrenewal of the Franchise Agreement must comply with 815 ILCS 705/20.
- 8. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act and the Illinois Disclosure Rules and Regulations are met independently of this addendum. To the extent, this addendum is inconsistent with any term or condition of the Franchise Agreement, Related Franchise Agreements, or its exhibits or attachments, the terms of this Addendum control. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement and Related Franchise Agreements in all other respects.

The parties are signing this addendum concurrently with the Franchise Agreement and Franchise Related Agreements to which it is attached.

FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	FRANCHISEE:
By:	By:
Date:	Date:

INDIANA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law:

THE STATE OF INDIANA HAS STATUTES WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE [INDIANA CODE §§23-2-2.5-1 THROUGH 23-2-2.5-50]. THIS STATE ALSO HAS COURT DECISIONS WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF INDIANA HAS A STATUTE WHICH RESTRICTS OR PROHIBITS THE IMPOSITION OF LIQUIDATED DAMAGE PROVISIONS [INDIANA CODE §23-2-2.7(10)]. A PROVISION IN THE FRANCHISE AGREEMENT WHICH TERMINATES THE FRANCHISE UPON THE BANKRUPTCY OF THE FRANCHISEE MAY NOT BE ENFORCEABLE UNDER TITLE 11, UNITED STATES CODE §101.

A general release required as a condition of renewal, assignment, or transfer shall not apply to any claim or liability arising under the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law.

The franchise agreement does not expressly give you the right to terminate, but Indiana law may give you the right to terminate if we commit a substantial breach of the franchise agreement.

Any provision in the franchise agreement that requires the application of the laws of another state or designates jurisdiction or venue in a forum outside the State of Indiana is void with respect to a claim otherwise enforceable under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.

In the event of a conflict of laws, the provisions of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law will prevail.

To the extent, this addendum is inconsistent with any terms or conditions of the franchise offering circular, the Franchise Agreement, or any of their exhibits or attachments, the terms of this Addendum control.

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law.

- 1. A general release required as a condition of renewal, assignment, or transfer shall not apply to any claim or liability arising under the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law.
- 2. Any provision in the Franchise Agreement that requires the application of the laws of another state or designates jurisdiction or venue in a forum outside the State of Indiana is void with respect to a claim otherwise enforceable under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.
- 3. In the event of a conflict of laws, the provisions of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law shall prevail.
- 4. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law are met independently of this addendum. To the extent, this addendum is inconsistent with any term or condition of the Franchise Agreement or its exhibits or attachments, the terms of this Addendum control. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	FRANCHISEE:
By:	By:
Date:	Date:

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Maryland Franchise Registration and Disclosure Law:

ITEM 5

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 preopening 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. ITEM 17

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

The franchise agreement and area 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 forum selection requirement is legally enforceable.

You may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

The Franchise Agreement and the Area Development Agreement to which this addendum is attached is amended as follows to comply with the Maryland Franchise Registration and Disclosure Law:

- 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 preopening 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
- 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.
- A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- 4 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..
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- This 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 forum selection requirement is legally enforceable.
- Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently of this addendum. To the extent, this addendum is inconsistent with any term or condition of the Franchise Agreement or its exhibits or attachments, the terms of this Addendum control. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	FRANCHISEE:
By:	By:
Date:	Date:

FOR RESIDENTS OF THE STATE OF MICHIGAN

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

- 1. A prohibition on the right of a franchisee to join an association of franchisees.
- 2. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchise, after entering into a franchise agreement, from settling any and all claims.
- 3. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for a good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- 4. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or another commercial symbol in the same area subsequent to the expiration of the franchise or the franchise does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- 5. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- 6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- 7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for a good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

8.

(a) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

- (b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (c) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (d) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- 9. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in paragraph 3 above.
- 10. A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.
- If the Franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000 the Franchisee may request the Franchisor to arrange for the escrow of initial investment and other funds paid by the Franchisee until the obligations, if any, of the Franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the Franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding the notice of this offering on file with the attorney general should be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913 (517) 373-7117.

To the extent, this addendum is inconsistent with any terms or conditions of the franchise disclosure document, the Franchise Agreement, or any of their exhibits or attachments, the terms of this Addendum control.

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Minnesota Franchise Law:

The Minnesota Department of Commerce requires that the franchisor indemnifies Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes trademark rights of the third party. The franchisor does <u>not</u> indemnify against the consequences of the franchisee's use of the franchiser's trademark except in accordance with the requirements of the franchise.

Minnesota Rules, 1989, Department of Commerce, Chapter 2860, Section 4400D prohibits a franchisor from requiring a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, Section 80C.01 to 80C.22; provided, that this part shall not bar the voluntary settlement of disputes.

Minn. Rule 2860.4400J states that it is unfair and inequitable for a franchisor to require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or to consent to liquidated damages, termination penalties, or judgment notes. Any language found in the disclosure document or Franchise Agreement contrary to this rule is amended so that it does not apply to Minnesota franchisees.

THE STATE OF MINNESOTA HAS STATUTES WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF MINNESOTA ALSO HAS COURT DECISIONS WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, THE FRANCHISOR MUST COMPLY WITH MINNESOTA STATUTE 80C.14, SUBDIVISIONS 3, 4 AND 5, WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIC CASES, 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. A PROVISION IN THE FRANCHISE AGREEMENT WHICH TERMINATES THE FRANCHISE UPON THE BANKRUPTCY OF THE FRANCHISEE MAY NOT BE ENFORCEABLE UNDER TITLE 11, UNITED STATES CODE §101. THE STATE OF MINNESOTA HAS COURT DECISIONS LIMITING THE FRANCHISOR'S ABILITY TO RESTRICT YOUR ACTIVITY AFTER THE FRANCHISE AGREEMENT HAS ENDED. LIQUIDATED DAMAGE PROVISIONS ARE VOID UNDER MINNESOTA LAW.

Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, the requirement that all litigation must take place in California shall not in any way abrogate or reduce any rights of the franchise as provided for in Minnesota Statutes, Chapter 80C.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5, which require, except in certain specified cases, that a franchisee is given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the franchise agreement.

To the extent, this addendum is inconsistent with any terms or conditions of the franchise disclosure document, the Franchise Agreement, or any of their exhibits or attachments, the terms of this Addendum control.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Minnesota Franchise Law:

- 1. A general release required as a condition of renewal, assignment, or transfer does not apply to any claim or liability arising under the Minnesota Franchise Law.
- 2. Franchisor shall protect the right of Franchisee to use the Marks in accordance with the requirements of the Franchise Agreement.
- 3. The final two paragraphs of provision XXI(B) is hereby deleted.
- 4. Section XXIII(D) does not apply to any action to enforce any liability created by the Minnesota Franchise Law. Any claim arising under the Minnesota Franchise Law may be brought in the state of Minnesota.
- 5. The representations contained in section XXIII(A) of the Franchise Agreement do not act as a release, estoppel, or waiver of any liability arising under the Minnesota Franchise Law.
- 6. Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, the Franchise Agreement does not in any way abrogate or reduce any rights of Franchisee as provided for in Minnesota Statutes, Chapter 80C. These statutes prohibit Franchisor from requiring litigation to be conducted outside Minnesota or abrogating or reducing any of Franchisee's rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
- 7. With respect to franchises governed by Minnesota law, Franchisor shall comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5, which require, except in certain specified cases, that a franchisee is given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Franchise Agreement.
- 8. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law are met independently of this addendum. To the extent, this addendum is inconsistent with any term or condition of the Franchise Agreement or its exhibits or attachments, the terms of this Addendum control. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISOR:	FRANCHISEE:	
810 FRANCHISE CONCEPTS, LLC		
Ву:	Ву:	
Its:	Its:	
Date:	Date:	

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THISFRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHINGIN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size,nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felonycharge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national

securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actionsaffecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes ofaction arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

- 4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.
- 5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

- 6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchise before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the North Dakota Franchise Investment Law:

Covenants restricting or prohibiting your right to compete after the termination or expiration of your franchise agreement are generally considered unenforceable in the State of North Dakota.

The release required as a condition of renewal and/or assignment/transfer will not apply to any liability arising under the North Dakota Franchise Investment Law.

Any provision of the franchise agreement restricting jurisdiction or venue to a forum outside the State of North Dakota or requiring the application of the laws of a state other than North Dakota is void.

Any mediation, if necessary, will take place at the American Arbitration Association office nearest your business Site.

Any provision of the franchise agreement requiring you to waive the right to a trial by jury is void.

Any provision of the franchise agreement requiring you to waive exemplary or punitive damages is void.

Any provision of the franchise agreement requiring you to consent to a statute of limitations that is shorter than the applicable North Dakota statute of limitations is void.

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the North Dakota Franchise Investment Law:

- 1. A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the North Dakota Franchise Investment Law.
- 2. Any provision of this Agreement restricting jurisdiction or venue to a forum outside the State of North Dakota or requiring the application of the laws of a state other than North Dakota is void.
- 3. Section 15.1 is amended by the addition of the following sentence:

"Covenants not to compete such as the one described above are generally considered unenforceable in the State of North Dakota."

- 4. The final two paragraphs of provision XXI(B) are hereby deleted.
- 5. Section XXIII(D) does not apply to any action to enforce any liability created by the Minnesota Franchise Law. Any claim arising under the Minnesota Franchise Law may be brought in the state of North Dakota.
- 6. The parties are signing this addendum simultaneously with the Franchise Agreement to which it is attached.

810 FRANCHISE CONCEPTS, LLC	BUSINESS ORGANIZATION FRANCHISEE:
Ву:	ву:
Title:	Title:
Date:	Date:
-	
INDIVIDUAL FRANCHISEE:	INDIVIDUAL FRANCHISEE:
Signature	Signature
Date:	Date:

RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Rhode Island Franchise Investment Act:

A condition, stipulation or provision requiring a franchise to waive compliance with or relieving a person of a duty of liability imposed by or a right provided by this act or a rule or order under this act is void.

A provision is a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Rhode Island Franchise Investment Act.

- 1. A general release requiring as a condition of renewal, assignment, or transfer shall not apply to any claim or liability arising under the Rhode Island Franchise Investment Act.
- 2. Any provision in the Franchise Agreement that requires the application of the laws of another state or designates jurisdiction or venue in a forum outside the State of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	FRANCHISEE:
By:	By:
Date:	Date:

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$1,427,500 to \$2,917,000. This amount exceeds the franchisor's stockholder's equity as of December 31, 2021, which is \$52,962.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for 810 Franchise Concepts, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

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

WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMNENT FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT AND OTHER RELATED AGREEMENTS

- 1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
- 6. 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.
- 7. 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.

- 8. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until (a) the to the franchisor has fulfilled all of its preopening obligations under the franchise agreement or offering circular, and (b) the franchisee is open for business.
- 9. Because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Area Development Agreement, payment of the Development Fees will be due proportionally with respect to each franchise outlet opened when the franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.
- 10. Section XI.A. of the Franchise Agreement is amended to provide that Franchisee will not indemnify Franchisor and its affiliates for their own negligence, willful misconduct, strict liability or fraud.
- 11. Section XI.(A) of the Franchise Agreement is amended to provide that the franchisee shall not indemnify Franchisor or other indemnitees in connection with the Franchisor's or Indemnified party's negligence, willful misconduct, strict liability, or fraud.
- 12. Section XIV.C. of the Franchise Agreement is amended to provide that Franchisee is only responsible for all court costs and reasonable attorneys' fees incurred by Franchisor if Franchisor is the prevailing party in any action or arbitration proceeding.
- 13. Section XIX.H. of the Franchise Agreement is amended to provide that Franchisee is only responsible for all court costs and reasonable attorneys' fees incurred by Franchisor if Franchisor is the prevailing party in any action or arbitration proceeding.
- 14. Section XX.D. of the Franchise Agreement is amended to provide that Washington franchisees do not waive their right or claim to any punitive, consequential, or exemplary damages. See RCW 19.100.190.
- 15. Section XX.E. of the Franchise Agreement is amended to provide that limitations on the time to bring claims under Franchise Investment Protection Act do not apply to Washington franchises. See RCW 19.100.220(2).

- 16. Section XI.C. of the Area Development Agreement to indicate that Washington franchisees do not waive their right or claim to any punitive, consequential, or exemplary damages. See RCW 19.100.190.
- 17. The Personal Guarantee to indicate that the Guarantor pays all costs, including reasonable attorneys' fees incurred by Franchisor if Franchisor is the prevailing party in any action, mediation, or arbitration.

FRANCHISOR:	FRANCHISEE:
810 FRANCHISE CONCEPTS, LLC	
By:	Bv:
Its:	Its:
Date:	Date:

WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Wisconsin Franchise Investment Law and the Wisconsin Fair Dealership Law:

THE WISCONSIN FAIR DEALERSHIP LAW SUPERSEDES ANY PROVISION OF THE FRANCHISE AGREEMENT THAT IS INCONSISTENT WITH THAT LAW. THE STATE OF WISCONSIN MAY ALSO HAVE COURT DECISIONS WHICH MAY SUPERSEDE THE FRANCHISE RELATIONSHIP IN RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF WISCONSIN MAY HAVE COURT DECISIONS WHICH RESTRICT THE IMPOSITION OF LIQUIDATED DAMAGES. THE IMPOSITION OF LIQUIDATED DAMAGES IS ALSO RESTRICTED BY FAIR PRACTICE LAWS, CONTRACT LAW, AND STATE AND FEDERAL COURT DECISIONS. A PROVISION IN THE FRANCHISE AGREEMENT WHICH TERMINATED THE FRANCHISE UPON THE BANKRUPTCY OF THE FRANCHISEE MAY NOT BE ENFORCEABLE UNDER TITLE 11, UNITED STATES CODE §101. THE STATE OF WISCONSIN MAY HAVE COURT DECISIONS LIMITING THE FRANCHISOR'S ABILITY TO RESTRICT YOUR ACTIVITY AFTER THE FRANCHISE AGREEMENT HAS ENDED.

We may revoke our approval of any previously approved supplier at any time if the quality of the product or the supplier's financial condition or ability to satisfy your requirements do not continue to meet our satisfaction.

To the extent, this addendum is inconsistent with any terms or conditions of the franchise disclosure document, the Franchise Agreement, or any of their exhibits or attachments, the terms of this Addendum control.

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Wisconsin Fair Dealership Law:

- 1. The Wisconsin Fair Dealership Law, Chapter 135, Stats., supersedes any inconsistent provisions of the Franchise Agreement.
- 2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently of this addendum. To the extent, this addendum is inconsistent with any term or condition of the Franchise Agreement or its exhibits or attachments, the terms of this Addendum control. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISOR: 810 FRANCHISE CONCEPTS, LLC	FRANCHISEE:
By:	By:
Date:	Date:

State Effective Dates

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

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

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	Pending
Wisconsin	

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

Item 23. 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 810 Franchise Concepts, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

[New York, Oklahoma and Rhode Island require that 810 Franchise Concepts, LLC gives 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.]

[lowa requires that 810 Franchise Concepts, LLC gives you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan and Oregon require that 810 Franchise Concepts, LLC gives you this disclosure document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If 810 Franchise Concepts, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit I.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Michael Siniscalchi, Founder and President, and Donato Palombo, Director of Operations at 1220 Moser Dr., Myrtle Beach, South Carolina 29577, South Carolina, (631) 258-9721, and:

-----'

Issuance Date: March 31, 2025

Our registered agents authorized to receive service of process for us are listed in Exhibit H.

I have received a disclosure document dated March 31, 2025. This disclosure document included the following Exhibits:

Date	 Signature		Print Name
Date	Signature		Print Name
EXHIBIT F.	STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS		
EXHIBIT E.	POWER OF ATTORNEY TO ASSIGN TELEPHONE NUMBER	EXHIBIT K.	OPERATING MANUAL STATE SPECIFIC ADDENDUMS
	AGREEMENT	EXHIBIT J.	TABLES OF CONTENTS OF
EXHIBIT D.	RESTRICTIVE COVENANT	EXHIBIT I.	FINANCIAL STATEMENTS
EXHIBIT C.	PERSONAL GUARANTY		SYSTEM
EXHIBIT B.	AREA DEVELOPER AGREEMENT	EXHIBIT H.	LIST OF FRANCHISEES THAT LEFT THE
EXHIBIT A.	FRANCHISE AGREEMENT	EXHIBIT G.	LIST OF FRANCHISEES

KEEP THIS COPY FOR YOUR RECORDS

Item 23. 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 810 Franchise Concepts, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

[New York, Oklahoma and Rhode Island require that 810 Franchise Concepts, LLC gives 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.]

[lowa requires that 810 Franchise Concepts, LLC gives you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan and Oregon require that 810 Franchise Concepts, LLC gives you this disclosure document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If 810 Franchise Concepts, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit I.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Michael Siniscalchi, Founder and President, and Donato Palombo, Director of Operations at 1220 Moser Dr., Myrtle Beach, South Carolina 29577, South Carolina, (631) 258-9721, and:

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EXHIBIT A.	FRANCHISE AGREEMENT	EXHIBIT G.	LIST OF FRANCHISEES
EXHIBIT B.	AREA DEVELOPER AGREEMENT	EXHIBIT H.	LIST OF FRANCHISEES THAT LEFT THE
EXHIBIT C.	PERSONAL GUARANTY		SYSTEM
EXHIBIT D.	RESTRICTIVE COVENANT	EXHIBIT I.	FINANCIAL STATEMENTS
	AGREEMENT	EXHIBIT J.	TABLES OF CONTENTS OF OPERATING
EXHIBIT E.	POWER OF ATTORNEY TO ASSIGN		MANUAL
	TELEPHONE NUMBER	EXHIBIT K.	STATE SPECIFIC ADDENDUMS
EXHIBIT F.	STATE FRANCHISE REGULATORS AND		
	AGENTS FOR SERVICE OF PROCESS		

Date	Signature	Print Name
Date	Signature	Print Name

RETURN TO: 810 Franchise Concepts, LLC at 1220 Moser Dr., Myrtle Beach, South Carolina 29577