FRANCHISE DISCLOSURE DOCUMENT

PICKLERAGE

PickleRage Franchise LLC
a Delaware corporation
1000 5th Street, Suite 100
Miami Beach, FL 33139
800-590-7472
picklerage.com
info@picklerage.com

The franchise offered is for a business that will develop and operate a facility under the name "PickleRage," which will offer recreational services to customers seeking to play the sport of "pickleball" and related racquet sports, and well as ancillary services involving instruction, clinics, tournaments, and league play. The business will operate using the franchisor's proprietary methods, trade dress, trademarks, and logos.

If you sign a franchise agreement for a single "PickleRage" facility, the total investment necessary to begin operation of that business ranges from $883,000 to $2,495,550, which includes $65,000 that you must pay to us. If you sign a development agreement to develop two "PickleRage" facilities, the total investment necessary to begin operation will be $903,000 to $2,515,550. This includes a development fee, payable to us, in the amount of $85,000 for a 2-unit 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 governmental 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 our Legal Department at 1000 5th Street, Suite 100, Miami Beach, FL 33139 (800-590-7472 or legal@picklerage.com).

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as *"A Consumer's Guide to Buying a Franchise,"* which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 30, 2026

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 and Exhibits D and E.
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 and Exhibit A include 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 Facilities.
Will my business be the only "PickleRage" 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 a "PickleRage" franchisee?	Item 20 and Exhibits D and E list 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

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

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

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

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

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

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

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

Some States Require Registration

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

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:

Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with us by mediation and litigation in Florida. Out of state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and litigate in Florida than in your own state.

Short Operating History. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Inventory/Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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.

Financial Condition. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Unregistered Trademark. The primary logo that you will use in your business is not federally-registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

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:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for 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.

(d) 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 other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) 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.

(f) 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.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for 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:

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

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) 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.

(h) 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 subdivision (c).

(i) 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 franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations 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 this notice should be directed to: Michigan Attorney General’s Office, Consumer Protection Division, Attention: Franchise Section, G. Mennen Williams Building, 1st Floor, 525 West Ottawa Street, Lansing, Michigan 4893, Telephone Number: 517-373-7117.

Table of Contents

Item 1	The Franchisor, and Any Parents, Predecessors and Affiliates	1
Item 2	Business Experience	3
Item 3	Litigation	3
Item 4	Bankruptcy	3
Item 5	Initial Fees	3
Item 6	Other Fees	4
Item 7	Estimated Initial Investment	9
Item 8	Restrictions on Sources of Products and Services	13
Item 9	Franchisee's Obligations	18
Item 10	Financing	19
Item 11	Franchisor's Assistance, Advertising, Computer Systems and Training	20
Item 12	Territory	29
Item 13	Trademarks	31
Item 14	Patents, Copyrights And Proprietary Information	33
Item 15	Obligation to Participate in the Actual Operation of the Franchise Business	34
Item 16	Restrictions on What the Franchisee May Sell	34
Item 17	Renewal, Termination, Transfer and Dispute Resolution	35
Item 18	Public Figures	41
Item 19	Financial Performance Representations	41
Item 20	Outlets and Franchisee Information	43
Item 21	Financial Statements	46
Item 22	Contracts	46
Item 23	Receipts	46

Exhibits

A Financial Statements
B Franchise Agreement
C Development Agreement
D List of Franchisees and Developers
E Franchisees and Developers That Left the System
F Table of Contents of Manual
G State-Specific Disclosures and Amendments to Agreements
H List of State Administrators and Agents for Service of Process
I Form of General Release
J State Effective Dates
K Receipts

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

The Franchisor

The franchisor is PickleRage Franchise LLC. We are a Delaware limited liability company organized on July 3, 2023. In this disclosure document, PickleRage Franchise LLC is referred to by the terms "**PickleRage**," "**franchisor**," "**we**," "**us**," or "**our**". Our principal place of business is 1000 5th Street, Suite 100, Miami Beach, FL 33139. We also maintain offices at 151 Bodman Place, Suite 201, Red Bank, NJ 07701. We do business under our corporate name and the Marks as described below. We do not own or operate any businesses of the type being franchised. Other than servicing and selling franchises for PickleRage facilities, we are not involved in other business activities. We have not offered franchises in any other line of business. We began offering franchises in the United States November 9, 2023.

Our agents for service of process are listed in Exhibit H-2.

Our Predecessor, Parent, and Affiliates

PickleRage IP LLC, a Delaware limited liability company organized on July 3, 2023.	PickleRage IP LLC owns our trademarks and licenses them to us (as explained in Item 13 of this disclosure document).
PickleRage Sports LLC, a Delaware limited liability company organized on August 5, 2023.	PickleRage Sports LLC is our wholesale and retail pickleball product business, and sells various pickleball-related equipment (including "PickleRage" branded gear) as well as brands from third parties.
PickleRage LLC, a Delaware limited liability company organized on June 20, 2023.	PickleRage LLC is our corporate parent.

Except as noted above, we have no predecessor or parent, and no affiliates that offer franchises in any line of business or provide products or services to franchisees. All of our affiliates also maintain their offices at 1000 5th Street, Suite 100, Miami Beach, FL 3313.

Description of the "PickleRage" Franchise Opportunity

We offer you* the opportunity, under a Franchise Agreement, to develop and provide recreational services to customers seeking to play the sport of "Pickleball" and related racquet sports, and well as ancillary services involving instruction, clinics, tournaments, and league play (the "**Services**"), operating in buildings that feature our interior and/or exterior designs, and which also feature our Products (each, a "**Facility**"). Facilities will also offer certain products, such as apparel and equipment, as well as grab-and-go food items and alcoholic and non-alcoholic beverages

* The person or entity that signs a Franchise Agreement or a Development Agreement is referred to in this disclosure document as "**you**," "**your**," or the "**franchisee**" (and if you are an entity, that term includes all of your owners and partners).

(collectively, the "**Products**"). Services also includes the services associated with preparing, marketing, and providing Products to customers.

Franchise Agreement

We offer qualified parties a franchise agreement (the "**Franchise Agreement**") under which they will establish and operate a Facility at a specific location. The standard form of Franchise Agreement is attached as Exhibit B to this Disclosure Document. Under a Franchise Agreement, we will grant you the right, and you will accept the obligation, to establish and operate a Facility at an agreed-upon location.

Development Agreement

We may offer qualified parties the right to sign a multi-unit agreement in the form attached as Exhibit C to this Disclosure Document (a "**Development Agreement**") to develop multiple franchised Facilities.

Under a Development Agreement, we and the "Developer" will agree upon, and the Development Agreement will specify: (1) the territory within which you will open and operate Facilities; (2) the minimum number (two or more) of Facilities that you will be required to develop; and (3) the development schedule to open and start operating those Facilities.

For each Facility that is established under the Development Agreement, the parties will sign a separate Franchise Agreement. The Franchise Agreement for the first Facility that you develop under the Development Agreement will be in the form attached as Exhibit B to this Disclosure Document. For each additional Facility, the parties will sign the form of franchise agreement that we are then-offering to new franchisees (which may be materially different than the one that is attached as Exhibit B to this disclosure document).

Competition

You can expect to compete in your market with locally-owned sport and athletic businesses and programs, municipal facilities, and national and regional chains (some of which may be franchise systems), many of which may offer products and services similar to or competitive with those offered by a "PickleRage" Facility. The market for these items is well-established and intensely competitive.

Regulations

The sports club industry is regulated in some places, including laws pertaining to membership packages, sign-ups for extended periods of time, and the like. Many of the laws, rules and regulations that apply to business generally have particular applicability to Facilities. All Facilities must comply with federal, state, and local laws applicable to the operation and licensing of a Facility business, including obtaining all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food service operations. If applicable to your Facility, the Americans with Disability Act of 1990 and related state laws require readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, bathrooms, drinking facilities, etc.

You also must follow the Payment Card Industry Data Security Standards and comply with applicable data and privacy laws relating to customer payment card transactions.

You must comply with all local, state, and federal laws that apply to your Facility operations, including for example health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. There are also regulations that pertain to handling consumer data, sanitation, healthcare, labeling, and food service. You will be required to comply with all federal, state, and local laws and regulations that apply to the operation of your Facility.

ITEM 2 BUSINESS EXPERIENCE

Co-Founder and Owner **Christopher Palermo**

Mr. Palermo has served us as Co-Founder and Owner since our formation in 2023. He is also currently the Co-Founder and Executive of First National Realty Partners in Red Bank, New Jersey and has served in that role since May 2015.

Co-Founder and Owner **Anthony Grosso**

Mr. Grosso has served us as Co-Founder and Owner since our formation in 2023. He is also currently the Co-Founder and Executive of First National Realty Partners in Red Bank, New Jersey and has served in that role since May 2015.

Chief Executive Officer **Rich DeStasio**

Mr. Destasio serves as the Chief Executive Officer since February of 2026. From October 2024 to February 2026, Rich was the CMO for FASTer Way to Fat Loss, and from June 2023 to October 2024 the COO of Austin Fitness Group, an Orangetheory Fitness franchisee.

Chief Operating Officer & Franchise Director **David Smith**

Mr. Smith serves as the Chief Operating Officer since 2023. From March 2020 to September 2024, David was the Founder of F.I.T., the Fractional Integrator Team.

Senior Vice President of Marketing **Mike Law**

Mr. Law has served as the Sr. Vice President of Marketing since 2023 and also serves as the lead marketer for the parent company of PickleRage since 2018.

Director of Marketing **Alison Elliott**

Ms. Elliott has served as the Director of Marketing for PickleRage since January 2024. From September 2022 to January 2024, Ms. Elliot was a Marketing Consultant for Corner Your Market. From April 2016 to September 2022, Ms. Elliot was the Director of Marketing for Briotix Health.

Director of Operations **Marian Jessop**

Mrs. Jessop has served as the Director of Operations for PickleRage since July 2024. Prior to that, she was the General Manager for Life Time, Inc. from August 2019 to July 2024.

ITEM 3 LITIGATION

No litigation information 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

Franchise Agreement. For each Facility, you must sign a Franchise Agreement and pay us a franchise fee of $65,000. The initial franchise fee is not refundable.

Development Agreement. If you sign a Development Agreement for the development of multiple Facilities (two is the minimum number), then when you sign that agreement, you must pay us: (1) a development fee equal to the franchise fee for the first Facility (which is $65,000 for the first Franchise Agreement), which we will credit in full to the initial fee due under the first Franchise Agreement; plus (2) an additional development fee of $20,000 for each additional Facility to be developed under the Development Agreement. For the second and each additional Facility that you develop under a Development Agreement, we will discount the initial franchise fee by $10,000 (that is, reduced to $55,000), so that when you sign the franchise agreement for those additional Facilities you will have to pay only the balance of $35,000 (after we apply $20,000 from the development fee). The development fee is not refundable.

By way of example, for a two-Facility Development Agreement, when you sign the Development Agreement you would have to pay a $85,000 development fee (that is, the first $65,000 plus $20,000 for the second unit).

*****

Except as described above, there are no other purchases from or payments to us or any affiliate of ours that you must make before your Facility opens.

ITEM 6 OTHER FEES

Fees (Note 1)	Amount	Due Date	Remarks
Royalty Fee (Note 2)	7% of Gross Sales	Payable each Period. (Note 2).	Royalty Fees are calculated based on Gross Sales for the previous Period (ending Sunday). Amounts due will be withdrawn by EFT from your designated bank account on the Due Date. See Note 2.
Marketing Contributions (Note 3)	1% of Gross Sales	Marketing Fund contributions are due by the Due Date. Your local marketing expenditures must be made monthly.	See Note 3. We currently allocate the Marketing Contribution entirely to the Marketing Fund.
Local Store Marketing (Note 3)	$2,000 per month or 2% of your Gross Sales	Each month	This requirement applies starting the month after you open. Note 3.
Initial Training (Note 4)	First two attendees = $0.	Before Training	Training for the first two people is included in the franchise fee.

Fees (Note 1)	Amount	Due Date	Remarks
	For each additional attendee, $2,000.		You must pay a training fee for each individual who is in addition to those two individuals or who is a replacement for one of those individuals. See additional details in Note 4.
Additional On-Site Training	$500 per day per trainer	When billed	Only due if we provide additional training at your Facility, in which case you must pay our daily fee for each trainer we send to your Facility.
Interest	1.5% per month on overdue amounts	On demand	Only due if you do not make payments on time and in full. Interest on overdue amounts will accrue from the date originally due until you make payment in full. Interest will not exceed the limit (if any) that applies to you under state law.
Audit Fee	Actual costs	When billed	Only due if we find that you have understated Gross Sales or what you owe to us by 2% or more. Also due if we audit after you fail to submit sales reports to us or if you do not provide us with the required access to your Computer System. You may also be required to pay interest on any understated amounts.
Transfer Fee – Franchise Agreement and Development Agreement	$32,500 or 50% of our then-current initial franchise fee, whichever is more.	Submitted with transfer application	Only due if you propose to engage in a transfer.
Renewal of the Franchise Agreement	$16,250 or 25% of our then-current initial franchise fee, whichever is more.	Upon renewal.	Due upon renewal.
Inspection and Testing	The actual cost of the inspection, as well as the actual cost of the test.	Will vary and must be paid upon request.	Only due if you ask that we evaluate a service, product, or supplier that we have not previously approved and that you want to use in your Facility. Also payable if we test unapproved items from your Facility that do not meet our specifications.

Fees (Note 1)	Amount	Due Date	Remarks
Lost Future Royalties (Note 5)	The average of your monthly Royalty Fees due under the Franchise Agreement multiplied by the lesser of 24 or the number of months then-remaining in the Franchise Agreement term.	15 days after Franchise Agreement is terminated	Only due if your Franchise Agreement is terminated and as described in Note 5.
Technology fee	$1,000 per year, payable $250 per quarter. Currently, we do not charge a technology fee but reserve the right to charge one once the platform is established.	Payable each quarter.	We will charge a technology fee at the time the Learning Management System, Online Ordering Platform, Centralized Inventory Commissary, Customer Loyalty Program, Marketing Automation Systems, or other similar technology is established. This fee is in addition to charges that you will have to pay to vendors that provide you with technology-related products and services.
Costs and Attorneys' Fees	Actual Costs	On demand	Only due if you are default under your agreement; if so, you must reimburse us for our expenses (such as attorneys' fees) in enforcing or terminating your agreement.
Insurance Reimbursement	Reimbursement of our costs and premiums	If incurred	Only due if you do not maintain the required insurance coverages; if so, we have the right (but not the obligation) to obtain insurance on your behalf. If so, you must reimburse us for our costs as well as the premiums.
Crisis Situation Reimbursement	Reimbursement of our costs	If incurred	Only due if there is a crisis situation at your Facility that has or reasonably may cause harm or injury to customers, guests, and/or employees (for example, food spoilage/poisoning, food tampering/sabotage, slip and fall injuries, natural disasters, robberies, shootings, Data Breach, etc.) or may damage the Proprietary Marks, the System, and/or our reputation. We will have the right (but not the obligation) to

Fees (Note 1)	Amount	Due Date	Remarks
			direct the management of that crisis situation, engage the services of attorneys, experts, doctors, testing laboratories, public relations firms, and other professionals that we deem appropriate. If so, you must reimburse us for our costs.
Brand standards Facility re-inspection and failure to provide records (Note 6)	$500 per day, plus reimbursement for travel expenses.	As Needed	See Note 6.
Reimbursement for amounts that we pay on your behalf	Actual Costs	On Demand	Only due if you do not pay your vendors on time and in full. If so, we have the right (but not the obligation) to make those payments on your behalf and if we do so, you must reimburse us for our costs as well as the premiums.
Non-Standard technology assistance	Reimbursement of actual costs	If and when incurred	Only due if you ask for (and we agree to provide) additional technology services, then you will have to pay our then-current charge for that service. This might include, for example, a non-standard integration or implementation. All of these changes will be subject to our review and approval.)
Lease Review Fee	$500	Within 15 days after we consent to your proposed site	You must provide us a copy of the lease for your proposed premises for our review and consent before you sign it. Our review is limited to brand protection provisions only. We do not review and negotiate lease on your behalf.
Liquidated Damages – Default and Termination of Franchise	the greater of $50,000 or up to 24 months of rolling 12-month average of Royalty Fees and Marketing Contributions	Upon termination of the Franchise Agreement due to your default, in a lump sum	If your Franchise Agreement is terminated due to your default, you must pay us the average monthly Royalty Fee and Marketing Contribution payable by you for the 12 months prior to your default multiplied by the lesser of 24 months or the number of months remaining in the term of your Franchise Agreement.

Notes:

1. All fees described in this Item 6 are non-refundable. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

2. For the purposes of determining the fees to be paid under the Franchise Agreement, "**Gross Sales**" means all revenue from the sale of all Products and Services and all other income of every kind and nature related to, derived from, or originating from the Franchised Business (whether or not permitted under this Agreement). Gross Sales includes revenue from barter, delivery, and service fees paid to you, whether for cash or credit the proceeds of any business interruption insurance policies, and regardless of theft, or of collection in the case of credit. Gross Sales excludes: (a) sales taxes and other taxes that you collect from your customers and actually pay to the appropriate taxing authorities; (b) refunds, discounts, and accommodations reasonably provided to your customers; and (c) meals provided to your staff.

The Royalty Fee will be withdrawn from your designated bank account by electronic funds transfer ("**EFT**") weekly on the Due Date based on Gross Sales for the preceding Week (currently, ending Sunday). If you do not report your Facility's Gross Sales, we may debit your account for 120% of the last Royalty Fee that we debited. If the Royalty Fee that we debit is less than the Royalty Fee you actually owe, then once we have been able to determine the Facility's true and correct Gross Sales, we will debit your account for the balance on the day we specify. If the Royalty Fee debit is greater than the what you actually owe us, then we will credit the excess against the amount we otherwise would debit from your account during the following Period.

The term "**Period**" means the interval that we designate, which may be a calendar week, bi-weekly period, calendar month, or other period (for example, a four week period). We have the right to designate the start for measurement of that interval as well as the end of that interval. (For example, a "week" may be deemed to start on Monday at one second before 12:00:01 am and ending the following Sunday at one second after 11:59:59 pm (all local time at your Facility); however, we have the right to reasonably change that formulation.) We have the right to reasonably change the composition of the days and times that comprise a "Period" by giving you prior written notice of that change, as well as changes to the "**Due Date**". Currently, the Due Date falls on Wednesday of each week (at 5:00 pm local time in our offices). The Due Date is the date by which Royalty and Marketing Contribution payments (and related reports) are due to us. If the Due Date falls on a weekend or a bank holiday, then the due date will be the next business day. If any state imposes a sales or other tax on our collection of Royalty Fees, then we have the right to collect this tax from you.

3. We have established and administer a Marketing Fund on behalf of the System to provide national, regional, or local creative materials for the benefit of the System, and also have the right to establish Regional Funds, which are intended to focus on promotional activities within a smaller geographic area. See Item 11, "Advertising", for details. Regional Funds determine the amount of the contributions required from the Facilities in their area.

Local Store Marketing.

- Each month (starting the month after you first open your Facility for business) you must spend at least $2,000 (or 2% of your Gross Sales, if more) on local store marketing ("**LSM**").

- We have the right to require that you contribute up to 1% of your Gross Sales (that is, 100 basis points) to a Regional Fund. If so, that contribution will count toward your obligation to make the LSM expenditure (or Discounted Local Spend) as described above.

4. After the initial two people have successfully completed, to our reasonable satisfaction, the PickleRage certification training program, we may offer a field certification program that allows employees who meet certain eligibility requirements to become a certified worker in an operating franchised Facility. Other prerequisites and eligibility requirements will be set forth in our Manual.

5. If we terminate the Franchise Agreement based on your default, or if you abandon or otherwise cease to operate the Franchised Business, then, in addition to all other amounts due under the Franchise Agreement and all other remedies available under the law, you must pay us, as liquidated damages, an amount calculated as follows: (A) (a) the average monthly Royalty Fee and Marketing Contribution payable by you over the twelve (12) month period immediately prior to the date of default (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) twenty-four (24) or (ii) the number of months then remaining in the then-current term of this Agreement OR (B) Fifty Thousand Dollars ($50,000), whichever is greater.

6. We may use an independent, third-party to inspect Facilities for safety and compliance with Brand Standards. Your Facility must participate in that inspection program, as we may require. If an inspection reveals a failing score, if you request a site visit, or if you did not provide us with your records or access to your records for the purpose of conducting a financial or operational inspection upon reasonable request, then you must pay us our then-current fee based on our then-current training fee schedule ($500 per day) for our representatives and you also must reimburse us for our reasonable related travel expenses.

ITEM 7 ESTIMATED INITIAL INVESTMENT

Table A:
YOUR ESTIMATED INITIAL INVESTMENT
FRANCHISE AGREEMENT
(For One Traditional Facility)

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Franchise Fee	$65,000	$65,000	Lump Sum	On signing Franchise Agreement	Us
Rent (Note 1)	$0	$150,000	As Arranged	Before Opening	Landlord
Security Deposits (Note 2)	$0	$100,000	As Arranged	On Signing the Lease	Landlord
Leasehold Improvements/Architect (Note 3)	$400,000	$1,171,800	As Arranged	Before Opening	Landlord, Architect, Construction Company

Table A: **YOUR ESTIMATED INITIAL INVESTMENT** **FRANCHISE AGREEMENT** *(For One Traditional Facility)*					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Signage (Note 4)	$46,000	$74,000	As Arranged	Before Opening	Vendors
Pickleball Courts, Fencing, Nets and Installation, Flooring (Note 5)	$192,000	$508,000	As Arranged	Before Opening	Vendors
Furniture and Fixtures (Note 6)	$40,000	$98,250	As Arranged	Before Opening	Vendors
Computer Equipment/Hardware/IT /AV (Note 7)	$55,000	$100,000	As Arranged	Before Opening	Vendors
Equipment and Supplies (Note 8)	$15,000	$25,000	As Arranged	Before Opening	Vendors
Grand Opening Advertising (Note 9)	$20,000	$50,000	As Arranged	Before Opening	Advertising Suppliers
Licenses, Permits, Utility Deposits	$3,500	$6,500	As Arranged	Before Opening	Government Agencies and Organizations
Inventory (Note 10)	$8,000	$12,000	As Arranged	Before Opening	Vendors and Suppliers
Travel Expense/Pre-Opening Salaries (Note 11)	$3,000	$15,000	As Arranged	Before Opening	Airlines, Hotels, etc.
Professional Fees	$1,500	$10,000	As Arranged	Before Opening	Attorney, Accountant
Insurance Deposits (Note 12)	$4,000	$10,000	As Arranged	Before Opening	Insurance Carriers
Additional Funds (3 months) (Note 13)	$30,000	$100,000	As Incurred	During the first 3 months of Operations	Employees, Suppliers, Utilities, Etc.
Total (Note 16)	$883,000	$2,495,550			

The expenses listed above are not refundable. We do not finance any portion of your initial investment.

1. *Rent.* The ideal size of your Club to include 8 to 16 courts, should range between 20,000 and 40,000 square feet. In most cases, the landlord will require a security and/or rental deposit. Usually, the landlord will require you to pay the equivalent of at least one month's rent. Rental rates on an unknown location cannot be predicted in advance. These costs will vary greatly depending on the area where the Club will be located. This line item in the table represents a range from zero month's rent to three month's rent. This estimate assumes you will rent. If you purchase the property, your initial expenses will dramatically increase.

2. *Security Deposits*. We expect that you will need to pay deposits for your landlord, local utilities, such as telephone, electricity and gas. The amount of your deposits will depend, in part, on your credit rating and the policies of the individual utility companies. The estimate also assumes that you will be able to negotiate with your landlord.

3. *Leasehold Improvements and Architect Fees*. Leasehold Improvements and Architect Fees. When you select a site and we approve it in writing, you will contract with an architect we have approved. The approved architect will provide you with a full set of architectural and engineering design plans that will be submitted to the city for building permits. The cost of construction, improvements, or building varies widely by the size of the space, the existing improvements, and local construction rates. For example, if the electrical outlets, bathrooms, or heating/cooling have not been completed already, your costs for leasehold improvements will increase. The low end of your estimated initial investment range assumes you will receive a tenant improvement allowance from the landlord. A tenant improvement allowance is common but not guaranteed and can range between $0 and $40 per square foot. The high end of your estimated initial investment range assumes no tenant improvement allowance from the landlord. The cost of leasehold improvements in the above table does not include expenses related to other line items in the table like "Furniture/Fixtures", "Pickleball Courts and Installation," or "Equipment and Supplies." Until a specific site is located and evaluated, a reliable estimate of costs cannot be projected. However, we strongly suggest that the leasehold improvements and architect fees fall within this range. In some cases, they may be significantly higher or lower depending on lease negotiations with local landlords.

4. *Signage*. These amounts represent your cost for your interior and exterior signage. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs. Any proposed changes to our signage must be submitted to us for approval.

5. *Pickleball Court Design & Installation.* The low range includes the cost of eight pickleball courts and the high range includes the cost of 16 pickleball courts including materials, installation labor, shipping and handling, insurance, engineering, and tax for the court surfacing, netting system, fencing, padding and dividers. These costs can fluctuate based on the square footage of each pickleball court. You must purchase the courts and the installation from our affiliate or designated contractor.

6. *Furniture/Fixtures.* This range includes furniture, storage racks, lockers, kiosk, displays, slat wall, line dividers, etc. You must purchase these items from approved suppliers.

7. *Computer Equipment/Hardware/IT/AV.* You are required to purchase and install the approved POS system and audio / visual / IT system, TV monitor displays and video surveillance

system. Additional computer stations and certain additional extra low voltage equipment will determine the amount of this line item, which will be based on the overall square footage of the club and number of courts. You must purchase the hardware and the installation from our affiliate or designated contractor.

8. *Equipment and Supplies.* These amounts represent clocks, concession equipment and supplies, cleaning supplies and equipment, first aid equipment, filming and photography equipment, telephone system, radios and uniforms. All of the costs assume these items are new and include any installation which is required.

9. *Grand Opening Advertising & Local Advertising.* You must spend a minimum of $20,000 (depending on the area where your Club is located) on grand opening advertising and sales promotions around the opening of your Club.

10. *Inventory.* These amounts represent the cost of your inventory including apparel, pickleball paddles, various other merchandise, balls, supplies, concessions, and uniforms.

11. *Travel Expenses/Pre-Opening Salaries*. This amount is for transportation, lodging and meals for 2 persons attending our onboarding program and initial training program. Costs and will vary in relation to travel expenses for air fare, lodging, meals, seasonality, and the geographic area from where you are traveling.

12. *Insurance.* These amounts represent a two-month deposit of the annual premium for the required insurance. Many insurance companies will require you to pay this amount before opening and allow you to pay the remainder in monthly payments for an additional 10 months. Typically, the annual premiums will range from $20,000 to $40,000 depending on the size of your club. Insurance premiums are subject to increase at any time based on market conditions and certain states may have higher premiums.

13. *Additional Funds – Three Months.* This item estimates your initial startup expenses during the initial period of the operation of your Club, which we estimate is three months. These expenses include payroll, benefits, utilities, additional inventory requirements, supplies, etc., but do not include Royalty Fees and Advertising Fees and do not include an owner's salary or draw or any expenses which are listed in the above chart. These figures are estimates, and you may have additional expenses to start the business. These figures were based on the experience of our management team supporting the opening and operating of similar entertainment and sports facility businesses with similar real estate size and requirements, and the expenses may differ in other parts of the country. Your costs will depend on factors like how closely you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and sales level reached during the initial period.

14. *Total.* Costs and expenses can vary depending on factors like local real estate values, cost of labor and supplies. None of the fees listed in this Item are refundable. Your financial condition and arrangements negotiated and the business decisions made by you will also affect these costs. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

Table B: **YOUR ESTIMATED INITIAL INVESTMENT** **DEVELOPMENT AGREEMENT** *(assumes a Development Agreement for 2 Units)*					
Type of Expenditure	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	From	To			
Multi-Unit Development Fee (Note1)	$85,000	$85,000	Lump Sum	Upon entering into Multi-Unit Development Agreement	US
Initial Investment for Your Initial Franchised Business (Note 2)	$818,000	$2,430,550	Varies	Varies	Varies
Total (Note 3)	$903,000	$2,515,550			

1. *Development Fee.* The Development Fee will be $85,000 (for development of 2 PickleRage franchises).

2. *Initial Investment for First Franchised Business:* The figure in this row represents the estimated initial investment required to open your first franchised businesses under a Franchise Agreement (other than initial franchise fee, which is accounted for in the prior row of the table).

3. *Multi-Unit Developer Initial Investment*. Other than the Development Fee, these figures do not include the costs associated with opening a second or subsequent franchised businesses, which will incur additional costs per businesses.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Goods and Services

You must operate the Franchised Business in conformity with the methods, standards, and specifications that we require (whether in the Brand Standards Manual or otherwise). Among other things, these standards require that you must:

- sell or offer for sale only those Products and Services, using the equipment and other items, that we have approved in writing for you to offer and use at your Franchised Business;

- sell or offer for sale all those Products and Services, using the equipment and other items, and employing the techniques that we specify in writing;

- not deviate from our standards and specifications by using or offering any non-conforming items without our specific prior written consent; and

- stop using and offering for use any Products or Services that we at any time disapprove of in writing (recognizing that we have the right to do so at any time).

If you deviate (or propose to deviate) from our standards and specifications, whether or not we have approved those deviations, they will become our exclusive property.

We have the right to designate only one supplier for certain items used at the Franchised Business in order to take advantage of marketplace efficiencies. We are presently the only approved supplier for some food items, and some furniture, fixtures, and equipment you are required to purchase for the operation of your Franchised Business.

The Franchise Agreement also provides that you may not use any item bearing our Proprietary Marks without our prior written approval as to those items.

We estimate that the cost of your purchases and leases from sources that we designate, approve, or that are made in accordance with our specifications will be approximately 85-95% of the total cost of establishing a Franchised Business and approximately 85-95% of the cost of continued operation of the franchise.

You must allow us or our agents, at any reasonable time, to inspect the Franchised Business and to remove samples of items or products, without payment, in amounts reasonably necessary for inspection or testing by us or a third party to determine whether those samples meet our then-current standards and specifications. We may require you to bear the cost of that testing if we did not previously approve in writing the supplier of the item or if the sample that we take from your Franchised Business fails to conform to our specifications.

You will be required to purchase or license certain hardware, software, computers, point of sale (POS) computer systems, and related equipment for your Facility. This information is summarized in Item 11 under the subheading "Computer Requirements." We estimate that the cost of purchasing the Computer System and Required Software will typically range from $2,500 to $5,000 with a monthly service payment of approx. $500 to $750. The estimated annual cost of maintenance, support, and upgrades is $1,000 to $1,500. This does not include replacement for hardware, software, and other equipment.

Approval of Alternative Suppliers

If you want to buy any items from an unapproved supplier, you first must submit to us a written request asking for our approval to do so. You may not purchase from any proposed new supplier until we have reviewed and, if we think it is appropriate, approved in writing that supplier. We will provide our decision within 60 days after we have received your complete proposal. When considering whether to approve any particular possible supplier, we will consider (among others) the following factors:

- whether the supplier can show, to our reasonable satisfaction, the ability to meet our then-current standards and specifications;

- whether the supplier has adequate quality controls, insurance, capability, and capacity to supply the System's needs promptly and reliably; and

- whether the supplier's approval would enable the System, in our sole opinion, to take advantage of marketplace efficiencies.

We will have the right, among other things, to require that our representatives be permitted to inspect the proposed new supplier's facilities, and that samples from that supplier be delivered either to us or to an independent laboratory that we designate for testing. Either you or the proposed new supplier must pay us a charge (which will not exceed the actual cost of the inspection and the actual cost of the tests). We also may require that the proposed new supplier comply with certain other requirements that we may deem appropriate, including for example payment of actual continuing inspection fees and administrative costs, or other payment to us by the supplier on account of their dealings with you or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that we may render to our suppliers.

Our criteria for approving a proposed supplier include various quality related factors, including for example the supplier's history, its other production work, product quality, quality controls, and related benchmarks. We typically will provide you with our response to a proposed new supplier within 30-60 days, but that vary depending on factors such as the nature of the item that is proposed for our consideration and the supplier's cooperation and response. We have the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our then-current criteria (if we revoke our approval, we will notify you in writing). You may not buy items from any supplier that we do not approve in writing, and you must stop buying items from any supplier that we may have approved but later disapprove.

We (and one of our affiliates) are the only designated supplier for certain items that you must buy for the operation of your Franchised Business.

None of our officers own any interest in any other approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business (except through ownership of mutual funds that might hold such an interest).

We have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments, or benefits (collectively, "**Allowances**") offered by suppliers to you or to us (or our affiliates) based upon system-wide purchases of Products, equipment, and other goods and services. These Allowances include those based on System-wide purchases of the Products, equipment, and other items. We may retain those volume discounts, rebates, or incentives to defray our expenses related to seeking, negotiating, and arranging purchasing agreement, or we may contribute all or a portion of those amounts to the Marketing Fund. We did not previously have franchises and therefore did not in the past derive income or receive Allowances.

We and our affiliates may derive revenue based on franchisee purchases. We did not previously have franchises and therefore did not derive income or receive Allowances. We may, in the future, derive revenue based on franchisee purchases from us or from our affiliates.

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

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products or services to some or all of the Facilities in our System. If we establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products and services,

and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would be in the best interests of the System or the licensed network of Facilities.

We do not provide material benefits to franchisees based on a franchisee's purchase of particular products or services or use of a designated or approved supplier.

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

All advertising and promotional materials, signs, decorations, paper goods (including all forms and stationery used in the Facility) and other items we designate must bear the Marks in the form, color, location, and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements in the Manual or otherwise as specified by us. You must obtain our prior written approval before you use any advertising and promotional materials and plans. Any advertising and promotional materials you submit to us for our review will become our property.

You must obtain our prior written approval of the site for the Facility before you acquire that site, and also obtain our prior written approval of any lease, sublease, or contract of sale for the Facility before you sign that lease, sublease, or contract. If you lease the property at which the Facility will operate, you and the lessor must sign our Lease Rider in the form attached to the Franchise Agreement.

Insurance.

Before you open your Facility, you must obtain insurance coverages in at least the minimum amounts that we require. Our current minimum insurance requirements are described in general terms below (the details are found in Section 15 of the Franchise Agreement). We have the right to periodically modify our insurance requirements and will communicate any modifications to you in our Manual or otherwise in writing.

All insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a reputable, duly licensed carrier or carriers that we have approved, having a rating of at least "A+" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide), and licensed and admitted to conduct business in the state in which your Facility is located. All insurance must be on an "occurrence" basis and must include, at least, the following coverages:

1. Commercial general liability insurance protecting against any and all claims for personal, bodily and/or property injury occurring in or about the Facility and protecting against assumed or contractual liability under this Agreement with respect to the Facility and your operations, with such policy to be placed with minimum limits of $1,000,000 limit per occurrence, $2,000,000 general aggregate per location and $2,000,000 products and completed operations aggregate. This coverage may not exclude losses due to assault, battery, sexual abuse, molestation, food borne illness and/or the use or brandishing of firearms.

2. Liquor Legal Liability - Providing at least $1,000,000 combined single limit for Bodily Injury and Property Damage, subject to no deductible. This policy must be written on an "occurrence" basis. Policy shall be endorsed to include landlord as "Additional Insured".

3. Comprehensive automobile liability insurance with limits of liability not less than $1,000,000 combined single limit for both bodily injury and property damage.

4. Statutory workers' compensation insurance and employer's liability insurance with a minimum limit equal to at least $1,000,000 or more if required by your umbrella carrier, plus other disability insurance that may be required by your state.

5. Data theft and cybersecurity coverage with limits of liability not less than $1,000,000 combined single limit.

6. Employment practices liability insurance with limits of liability not less than $1,000,000 combined single limit.

7. Commercial umbrella liability insurance that bring the total of all primary underlying coverages (commercial general liability, comprehensive automobile liability, and employers' liability) to at least $2,000,000 total limit of liability. The umbrella liability must provide at least those coverages and endorsements required in the underlying policies.

8. If applicable, property insurance providing coverage for direct physical loss or damage to real and personal property, including furniture, fixtures, equipment, and stock on a replacement cost basis with no more than a $10,000 deductible for all risk perils, and no more than $25,000 for the perils of flood and earthquake. This coverage must include equipment breakdown insurance coverage. Appropriate coverage must also be provided for business income & extra expense, written on an actual loss sustained basis for 12 months(including royalty fees due to us for the trailing 12 months before the loss), with coverage written using ISO Forms CP0030 (10 12) and CP1030 (10 12) (or their substantial equivalent).. The policy should include coverage for food spoilage of at least $250,000, ordinance and law, civil authority, as well as sewer and drain back up. The policy should include wind or named storm coverage with a deductible of no more than 2%. Any deductibles contained in such policy will be subject to our review and approval.

9. Crime Insurance providing Employee Dishonesty coverage with a limit of $1,000,000 covering all employees.

10. Any other insurance coverage that is required by applicable law.

You may, after obtaining our prior written consent, have reasonable deductibles under the coverage described above. Also, related to any construction, renovation, or remodeling of the Facility, you must maintain builders' risks insurance, construction liability and performance and completion bonds in forms and amounts, and written by a carrier or carriers, satisfactory to us. All of the policies must name us, those of our affiliates that we specify, and the respective officers, directors, shareholders, partners, agent, representatives, independent contractors, servants, and employees of each of them, as additional insureds on a primary and non-contributory basis and must include a waiver of subrogation, in favor of all of those parties. All policies must be written with no coinsurance penalty. All policies shall be endorsed to provide that in the event of cancellation, non-renewal or material modification, Franchisor shall receive 30 days written notice thereof.

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

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and the Development Agreement. It will help you find more detailed information about your obligations in these agreements and in other item of this disclosure document.

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	1.2, 5, Ex. G	10	11, 12
b.	Pre-opening purchase/leases	5, 7, and 14	Not applicable	11
c.	Site development and other pre-opening requirements	3.2, 5	1, 2, and 10	5, 6, 7, 11
d.	Initial and ongoing training	3.1 and 6	9.3	11
e.	Opening	3.4, 3.8, 5, and 8.2	10	5, 6, 7, 11
f.	Fees	2.2.6, 4, 5.1.2, 5.9, 6.2. 6.4, 6.5, 7.1.4, 8.4.7, 9.2.9, 11.2, 12.5, 12.7, 13, 14, 16.5.10, 16.7.1, 16.11, 17.7, 18, 19.10, 21.4, and 27.9	4, 11	5, 6
g.	Compliance with standards and policies/operating manual	1.6, 2.2, 3.4, 5, 6, 7, 8, 10, 12, 13.8, 14, and 15	11	8, 11, 15
h.	Trademarks and proprietary information	1.1, 7.4, 8.9, 9, and 10	7, 8, and 11	13, 14
i.	Restrictions on products/services offered	1.5 and 7	Not applicable	8, 16
j.	Warranty and customer service requirements	8	Not applicable	15

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
k.	Territorial development and sales quotas	1.3	2, 5, 6	12
l.	Ongoing product/service purchases	7	Not applicable	8
m.	Maintenance, appearance, and remodeling requirements	5 and 8.8	Not applicable	11
n.	Insurance	15	11.3	7, 8, 11
o.	Advertising	3.6, 3.7, and 13	Not applicable	6, 11
p.	Indemnification	8.17.2, 9.2.9, 16.11.2, 21, and Ex. C	11.9, 15	14
q.	Owner's participation / management / staffing	8, 8.3	Not applicable	11, 15
r.	Records and reports	4.2, 12, and 15.5	Not applicable	6, 11
s.	Inspections and audits	3.8, 6.4, 7.1, 8.11 and 12	Not applicable	6, 11
t.	Transfer	8.10, 16 and 19.5	11.4, 12	17
u.	Renewal	2.2	Not applicable	17
v.	Post-termination obligations	11.1.1, 12.1.2, 18, 19.3, and 19.5	11.6	17
w.	Non-competition covenants	19	11.7	17
x.	Dispute resolution	27	11.14	17
y.	Taxes/permits	4.2.2.1, 5.4, 8.7, and 20	11.8	Not applicable
z.	Other: Personal Guarantee	Ex. B	Not applicable	15

ITEM 10 FINANCING

We do not offer, either directly or indirectly, any financing arrangements to you. We do not guarantee your notes, leases, or other obligations.

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 Assistance:

Before your open your Franchised Business, we will:

1. Provide services in connection with your site, including:
    - Site selection guidelines, counseling, and assistance in accordance with Section 1.2 of the Franchise Agreement (see Franchise Agreement, Section 1.2);
    - One on-site evaluation without a separate charge upon receipt of a completed site selection package submission (see Franchise Agreement, Site Selection Addendum Section 2);
    - Written notice of approval or disapproval of the proposed site within 30 days of receiving your site selection package submission (see Franchise Agreement, Site Selection Addendum Section 3); and
    - Review of lease, sublease, design plans, and renovation plans for the Facility (see Franchise Agreement, Section 5);
2. Make available our standard layout, design, and image specifications for a Facility, including:
    - Plans for exterior and interior design and layout (see Franchise Agreement, Section 3.3); and
    - Written specifications for fixtures, furnishings, equipment, and signage (see Franchise Agreement, Section 3.3), including the names of approved suppliers (however, we do not supply these items directly nor do we assist with delivery or installation);
3. Give you access to the Brand Standards Manual (as more fully described below in this Item 11 of this FDD) (see Franchise Agreement, Section 3.5);
4. Provide you with training (as more fully described below in this Item 11 of this FDD) (see Franchise Agreement, Section 3.1);
5. Assist you in developing your Grand Opening Marketing Program (see Franchise Agreement, Section 3.6); and
6. Inspect and evaluate your Facility before it first opens for business (see Franchise Agreement, Section 3.8).

We are not required by the Franchise Agreement to furnish any other service or assistance to you before the opening of your Franchised Business.

Continuing Assistance:

We are required by the Franchise Agreement to provide certain assistance and service to you during the operation of your Franchised Business:

1. Provide you periodic assistance in the marketing, management, and operation of the Franchised Business at the times and in the manner that we determine (see Franchise Agreement, Sections 3.4 and 3.9);

2. Periodically offer you the services of certain of our representatives, such as field consultant, and these representatives will periodically visit your Franchised Business and offer advice regarding your operations (see Franchise Agreement, Section 3.9); and

3. Provide ongoing training that we periodically deem appropriate, at such places and times that we deem proper (see Franchise Agreement, Section 6.4).

We are not required by the Franchise Agreement to furnish any other service or assistance to you during the operation of your Franchised Business.

We may periodically provide suggested retail pricing (see Franchise Agreement, Section 8.12), but you will set your own prices. We may establish reasonable restrictions on the maximum and minimum prices you may charge for the Products and Services offered and sold at the Facility and (subject to applicable law): (a) if we have established a maximum price for a particular item, then you may charge any price for that item up to and including the maximum price we have established; and (b) if we have established a minimum price for a particular item, then you may charge any price for that item that is equal to or above the minimum price we have established.

Typical Length of Time Before Start of Operations:

You must open your Franchised Business the earlier of one year from the date you sign the Franchise Agreement or six months after we approve your franchised location. If you do not do so, that will be a default under the Franchise Agreement. We consider the demographics of your proposed franchised location including population density, household income and other competition. If you are unable to find a suitable location that is agreed upon, we will have the right to terminate your Franchise Agreement or provide a grace period of 90 days. If the Franchise Agreement is terminated, the Initial Franchise Fee will be forfeited.

We estimate the length of time between the signing of the Franchise Agreement and the time you open your Facility at 180 to 365 days. Factors that may affect this time period include your ability to acquire financing or permits, build out your location, have signs and equipment installed in your location, and complete the required training. You should have a suitable location and signed lease within nine months of signing the Franchise Agreement. Typically, we own or lease the site.

Your franchised Facility must be open within the earlier of one year after the Effective Date of Franchise Agreement or six months after we approve your franchised location (the "**Scheduled Opening Date**"). If you do not open your Facility by the Scheduled Opening Date (except in the case of circumstances beyond your control), then we will have the right to terminate your Franchise Agreement.

Advertising:

You must contribute or spend an amount equal to 1% of the Gross Sales of the Franchised Business for marketing fund (the "**Marketing Fund Contribution**").

The Marketing Fund. When we form the Marketing Fund, the following terms will apply to that Fund:

(1) We will have the right to make all decisions and set all standards concerning all marketing programs, and any concepts, materials, and media used in such programs.

(2) The Marketing Fund, all contributions to that fund, as well as the fund's earnings, will be used exclusively to meet any and all costs of maintaining, administering, staffing, directing, conducting, preparing advertising, marketing, public relations or promotional programs and materials, and any other activities that we believe will enhance the image of the System.

(3) The Marketing Fund will not be our asset. We will prepare and make available to you (upon your written request) an annual statement of the operations of the Marketing Fund as shown on our books.

(4) Although the Marketing Fund is intended to be of perpetual duration, we will have the right to terminate the Marketing Fund. The fund will not be terminated, however, until all monies in those funds have been expended for those funds' purposes.

(5) None of the amounts in the Marketing Fund will be used for marketing that is principally a solicitation for the sale of franchises.

(6) As to the Marketing Fund: (a) we will not be required to spend any particular amount on marketing in the area where your Facility is located; and (b) if there are unspent amounts in the Marketing Fund at fiscal year-end, those amounts will be carried over to the following year.

(7) We do not currently have an advertising council composed of franchisees that advises us on advertising policies.

(8) We will make an annual accounting of the Marketing Fund available upon your written request. The fund will not be audited.

(9) Company- or affiliate-owned Facilities will contribute to the Marketing Fund on the same basis as those that currently apply to franchised Facilities.

(10) The Marketing Fund will be used (among other things) to meet any and all costs of maintaining, administering, staffing, directing, conducting, preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities that we believe will enhance the image of the System (including, among other things, the costs of preparing and conducting marketing and media advertising campaigns on radio, television, cable, and other media; direct mail advertising; developing and implementing website, social networking/media, geo-targeting, search engine optimization and other similar functions, and other electronic marketing strategies; marketing surveys and other public relations activities; employing marketing personnel (including salaries for personnel directly engaged in consumer-oriented marketing functions), advertising and/or public relations agencies to assist

with such endeavors; purchasing and distributing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs; engaging individuals as spokespersons and celebrity endorsers; purchasing creative content for local sales materials; reviewing locally-produced ads; preparing, purchasing and distributing door hangers, free-standing inserts, coupons, brochures, and trademarked apparel; market research; conducting sponsorships, sweepstakes and competitions; engaging mystery shoppers for Facilities and their competitors; paying association dues (including the International Franchise Association), establishing third-party facilities for customizing local advertising; purchasing and installing signage; and providing promotional and other marketing materials and services to the Facilities operated under the System).

As of December 31, 2025, we collected $2,902.25 from Marketing Fund Contributions and have not made any expenditures.

Local marketing. Local marketing has two possible components. The first and primary component will be your own local store marketing (as described below). The second component may arise in areas where there is a concentration of Facilities in the same marketing area, where we may create a regional fund (as also described below). We have the right to allocate your local promotion expenditures as between those two possible components.

1) *Local Store Marketing*. You may be required to spend a certain amount on local store marketing on a continuous basis throughout the term of your Franchise Agreement.

    A. Each month (starting the month after you open your Franchised Business) we recommend you spend on local store marketing at least $2,000 or (if more) 2% of your Gross Sales, as explained in Item 6.

    B. Local store marketing includes only the direct costs of purchasing and producing marketing materials (including camera ready advertising and point of sale materials), media (space or time), and those direct out of pocket expenses related to costs of marketing and sales promotion that you spend in your local market or area, advertising agency fees and expenses, postage, shipping, telephone, and photocopying.

    C. We will apply certain criteria in reviewing and evaluating the local store marketing that you conduct. All of your local store marketing must be dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any marketing, advertising, or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans. If we do not give our approval within 14 days, then we will have been deemed to disapprove of the plans or materials. Any and all copyright in and to advertising, marketing materials, and promotional plans developed by or on behalf of you will be our sole property.

    D. We may periodically make available to you for purchase marketing plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, community relations programs, and similar marketing and promotional materials for use in local store marketing.

E. The required contributions and expenditures are minimum requirements only. We encourage you to spend additional funds for local store marketing, which will focus on disseminating marketing directly related to your Franchised Business.

F. We reserve the right to send up to 1% of your LSM expenditure to a Regional Fund for your geographic area, with the remainder of the Fee going to LSM.

2) *Regional Fund*. If we have two or more franchisees operating in the same geographic region, or other circumstances arise that suggest it would be helpful, we have the right (but not the obligation) to establish a Regional Fund for that region. If we establish a Regional Fund for your area, the following provisions (and others in the Franchise Agreement) will apply:

A. If a Regional Fund for the area in which your Franchised Business operates was already established when you start operating under the Franchise Agreement, then you will have to join that Regional Fund.

B. If a Regional Fund is later established for the geographic area in which the Franchised Business is located, then you must join that Regional Fund within 30 days after that Regional Fund is established. You will not be required to join more than one Regional Fund.

C. Each Regional Fund will be organized and governed in a form and manner, and start operations on a date that we have approved, in writing. Voting will be on the basis of one vote per full-service Facility (regardless of number of owners or whether the shop is franchised or owned by us or our affiliates).

D. Regional Funds will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized marketing materials for use by the members in regional marketing. Regional Funds may not use marketing, advertising, promotional plans, or materials without our prior written consent.

E. Although, if established, a Regional Fund is intended to be of perpetual duration, we maintain the right to close any Regional Fund. A Regional Fund will not be terminated, however, until all monies in that Regional Fund are spent for marketing purposes.

Currently, there are no Regional Funds.

Grand Opening Marketing Program. You must spend a specific amount that will be designated in your Franchise Agreement on grand opening marketing and promotional programs in conjunction with the Facility's initial grand opening, pursuant to a grand opening marketing plan that you develop and that we approve in writing (the "**Grand Opening Marketing Program**"). The Grand Opening Marketing Program must begin 60 days before the Scheduled Opening Date for your Franchised Business and must be completed no later than 30 days after the Franchised Business starts to operate. You will be required to spend 50% of the total amount before you open for business and the remaining 50% in the first month that you are open. Like all other marketing, your Grand Opening Marketing Program will be subject to our prior approval, marketing standards, and requirements.

Computer Requirements:

We may require our franchisees to purchase a Computer System. You must meet our requirements concerning the Computer System, including: (a) back office and point of sale systems, networks, data, audio, video (including managed video security surveillance, which we have the right to monitor to the extent permitted by law), telephone, voice messaging, retrieval, and transmission systems for use at Facilities, between or among Facilities, and between and among the Franchised Business, and you, and us; (b) point-of-sale (POS) systems; (c) physical, electronic, and other security systems and measures; (d) printers and other peripheral devices; (e) archival back-up systems; (f) internet access mode (such as form of telecommunications connection) and speed; (g) technology used to enhance and evaluate the customer experience (including digital ordering devices, kiosk, touchpads, and the like); (h) digital and virtual display boards and related technology, hardware, software, and firmware; (i) front-of-the-house WiFi and other connectivity service for customers; (j) cloud-based back-end management systems and storage sites; (k) music systems for inside the Facility; and (l) consumer-marketing oriented technology (including Customer Apps, affinity and rewards hardware and software, facial and other customer-recognition technology, and approved social media/networking sites) (collectively, all of the above are referred to as the "**Computer System**").

You must be able to maintain a continuous connection to the internet to send and receive POS data to us. You must establish merchant accounts and internet-based credit card and gift card authorization accounts that we designate for use with online card authorizations.

We have the right to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"), which you must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install; (c) the tangible media upon which you must record data; and (d) the database file structure of your Computer System.

We rely on suppliers to provide support for the hardware and software and we may require that you enter into service contracts directly with the hardware and software suppliers and pay the suppliers directly for this support.

You must follow our guidelines and requirements with respect to technology that will be used at your Facility (as further explained in Section 14 of the Franchise Agreement). You will bear the cost of meeting these requirements. Among other things, this includes your agreement to install, use, maintain, update, and replace (as needed) all elements of the Computer System and Required Software. You must pay us or third-party vendors initial and ongoing fees in order to install, maintain, and continue to use the Required Software, hardware, and other elements of the Computer System. You may also be required to pay us a technology fee in our then current amount. You may also be charged fees by tech vendors that provide products or services to you, and you must pay those charges in the ordinary course of business.

We estimate that the cost of purchasing the Computer System and Required Software will typically range from $2,500 to $5,000 with a monthly service payment of approx. $500 to $750. We estimate that the current annual cost of maintenance, support, and upgrades will be in the range of $1,000 to $1,500. This does not include replacement for hardware, software, and other equipment. Neither we nor any of our affiliates have an obligation to provide ongoing maintenance, repairs, upgrades, or updates to your computer hardware or software. Neither we nor any of our affiliates have an obligation to provide ongoing maintenance, repairs, upgrades, or updates to your computer hardware or software.

You must be able to access information that is available on the Internet, and be able to send and receive email. We may periodically require you to upgrade and update the hardware and software used in connection with the Computer System. There are no contractual limitations on the frequency and cost of these upgrades and updates. We reserve the right to approve your email address or require you to use only an e-mail address that we provide for your Franchised Business' business e-mails.

You must afford us unimpeded access to your Computer System in the manner, form, and at the times we may request. We will have the independent right at any time to retrieve and use this data and information from your Computer System in any manner we deem necessary or desirable. There are no contractual limits imposed upon our access to your Computer System data.

We have the right to require you to use one or more designated telephone and internet/network vendors. If we so require, you must use our designated telephone vendors for the phone service to your Franchised Business. We may designate, and own, the telephone numbers for your Franchised Business.

Vehicles. You may not wrap any vehicles in our Proprietary Marks, or otherwise use a vehicle in connection with (including promotion of) the Franchised Business unless you have asked for and obtained our prior written approval. We have the right to condition our approval on the factors that we deem appropriate, including that your vehicle meets our then current standards, that any wrapping be consistent with our brand standards, that you meet certain insurance requirements, and other standards.

Digital Sites. Unless we have otherwise approved in writing, you may not establish nor permit anyone else to establish a Digital Site relating to your Franchised Business or referring to the Proprietary Marks. We will have the right, but not the obligation, to provide one or more references or webpage(s), as we may periodically designate, within our Digital Site. The term "**Digital Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, World Wide Web, webpages, microsites, social networking sites (including Facebook, Twitter, LinkedIn, YouTube, TikTok, Pinterest, Instagram, etc.), blogs, vlogs, applications to be installed on mobile devices (for example, iOS or Android apps), the metaverse, and other applications, etc. However, if we approve a separate Digital Site for you (which we are not obligated to do), then each of the following provisions will apply: (1) you may neither establish nor use any Digital Site without our prior written approval; (2) before establishing any Digital Site, you must submit to us, for our prior written approval, a sample of the proposed Digital Site, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tags), in the form and manner we may require; (3) you must not use or modify an Digital Site (which is deemed marketing) without our prior written approval; (4) you must comply with the standards and specifications for Digital Sites that we may periodically prescribe in the Brand Standards Manual or otherwise in writing; (5) if we require, you must establish hyperlinks to our Digital Site and other Digital Sites; (6) we may require period updates to your Digital Site; and (7) we may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf.

The Franchise Agreement will limit your use of certain methods, procedures, and technologies associated with your Computer Systems. For example, you will not be permitted to implement, use, or otherwise engage with AI Sources without our prior written consent. "**AI Source**" means any resource, online or otherwise, that is for the purpose of gathering, implementing, or otherwise

using information from you applying artificial intelligence or machine learning technology, including ChatGPT and other sources.

Data. All of the data that you collect, create, provide, or otherwise develop is and will be owned exclusively by us, and we will have the right to access, download, and use that data in any manner that we deem appropriate without compensation to you. All other data that you create or collect in connection with the System, and in connection with operating the Franchised Business (including customer and transaction data), is and will be owned exclusively by us during the term of, and after termination or expiration of, the Franchise Agreement. ("Data" for this purpose will exclude customers' payment card information.) You will have to transfer to us all data (in the digital machine-readable format that we specify, including printed copies and originals) promptly upon our request, whether during the term of the Franchise Agreement, upon termination or expiration of this Agreement, or any transfer.

You must comply with all laws pertaining to the privacy of consumer, employee, and transactional information ("**Privacy Laws**"). You must also comply with our standards and policies concerning the privacy of consumer, employee, and transactional information.

Brand Standards Manual:

We will loan you a copy of our Brand Standards Manual (digital, on paper, or in the format that we deem appropriate) for your use during the term of the Franchise Agreement. The Brand Standards Manual contains our standards and specifications for you to follow in the operation of your Facility. The Brand Standards Manual will at all times remain our sole property and you will agree under the terms of the Franchise Agreement to treat the Brand Standards Manual as confidential and to promptly return any and all copies to us following termination or expiration of the Franchise Agreement (see Franchise Agreement Section 10).

We have the right to periodically update and modify the contents and format of the Brand Standards Manual. The Brand Standards Manual currently has 197 pages or digital screens, and its Table of Contents is found as Exhibit F to this FDD.

Training

The subjects covered in the initial training program are described below.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
History/Philosophy of PickleRage	0.25	0	Training Center
Use of the Manual	0.25	0	Training Center
Pre-Opening Procedures	2	0	Training Center
Marketing and Promotion	1.5	0	Training Center
People Development	2.5	0	Training Center

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Sales/Recruiting Members	2	3	Training Center/In Field
Hosting Events	2	0	Training Center
Daily Operating Procedures	4	12	Training Center/In Field
CRM/POS Procedures	1.5	2	Training Center/In Field
Managing the Business	2	1	Training Center/In Field
Total	18	18	

Currently, our training is supervised by our Director of Operations, Marian Jessop (see above for experience) and our National Programming Director, Chris Angulo. Mr. Angulo joined the company in 2024 and serves in dual capacity as National Programming Director and Programming Director of West Bloomfield. Prior to joining PickleRage, Chris served as Director of Racquet Sports, Junior Programming Director and Elite Women's Tennis Travel Coach. He has over 10 years of racquet sports programming and organization.

Training will be conducted over a 5 business-day period, starting at our Facility Support Center and at a Corporate Certified Training Facility, either in New Jersey or the Broward County (Fla.) metropolitan area. We may also designate other sites for training.

Training sessions will be scheduled and conducted as frequently as it is necessary. Training will not be scheduled until a lease is signed for your location. All of your personnel must attend all aspects of the training program established. If any of your personnel do not attend or successfully complete any portion of the training program, that may result in failure of certification and a delayed store opening, or termination of the Franchise Agreement. Training must be completed 30 days prior to opening your facility.

The instructional materials for our training programs include the Brand Standards Manual, lecture, discussions, and practice.

Under the Franchise Agreement, the Operating Principal and General Manager must attend and successfully complete, to our satisfaction, our training program.

You may send up to three additional individuals to the initial training program; if you want to send more individuals, and we agree to have them join the session, then you must pay us a discounted training fee for each of those individuals.

If for any reason your Operating Principal or your General Manager stop active management or employment at the Franchised Business, or if we revoke the certification of your Operating Principal or your General Manager to serve in those capacities, then you must enroll a qualified replacement (who must be reasonably acceptable to us to serve in that capacity) in our initial training program within thirty days after the former individual ended his/her full time employment or management responsibilities. The replacement must attend and successfully complete the basic management training program to our reasonable satisfaction as soon as it is practical to do so. If the replacement is the fourth or any additional replacement during the term of your Franchise

Agreement, then you will have to pay us a discounted training fee for each such person to be trained, with full payment due before training starts.

We may require that you and your Operating Principal and General Manager attend refresher courses, seminars, and other training programs that we may reasonably require periodically. We may further require you to enroll each of your employees in web-based training programs relating to the Products and Services that will be offered to customers of the Facility.

We will bear the cost of providing the instruction and required materials, except for additional and replacement training. You are responsible for making arrangements and paying all of the expenses, wages, and compensation for your staff that attends the training program.

ITEM 12 TERRITORY

Franchise Agreement

Under the Franchise Agreement, you have the right to establish and operate one Facility at a specific location that we have approved ("**Approved Location**"). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control. The minimum territory granted to is a population of 100,000.

However, during the term of the Franchise Agreement, so long as you remain in compliance with the terms of the Franchise Agreement, we will not establish nor license anyone else to establish, another "PickleRage" Facility at any location within the "**Protected Area**" that is designated in your Franchise Agreement. We (and our affiliates) retain all other rights. Accordingly, we will have the right (among other things), on the conditions that we deem advisable, and without granting you any rights, to do any or all of the following:

- We have the right to establish, and franchise others to establish, Facilities anywhere outside the Protected Area;

- We have the right to establish, and license others to establish, businesses that do not operate under the System and that do not use the Proprietary Marks licensed under the Franchise Agreement, even if those businesses offer or sell products and services that are the same as or similar to those offered from the Franchised Business, no matter where those businesses are located;

- We have the right to establish, and license others to establish, Facilities at any Non-Traditional Facility or Captive Market Location (as defined below), whether outside or inside the Protected Area;

- We have the right to acquire (or be acquired), combine, or otherwise merge with and then operate any business of any kind, anywhere (but not to be operated as a "PickleRage" Facility inside the Protected Area); and

- We have the right to market and sell our Products through any channel of distribution (including alternative distribution channels such as e commerce), anywhere (but not from a "PickleRage" Facility operating inside the Protected Area).

The term "**Captive Market Location**" includes, among other things, non-foodservice businesses of any sort within which a Facility or a branded facility is established and operated (including, for example, hotels and resorts).

The term "**Non-Traditional Facility**" includes, among other things, college campuses, schools, casinos, airports and other travel facilities; federal, state, or local government facilities (including military bases); hospitals and medical facilities; theme and amusement parks; recreational facilities; seasonal facilities; shopping malls; theaters; and sporting event arenas and centers.

You may offer and sell services and products only: (a) according to the requirements of the Franchise Agreement and the procedures set out in the Brand Standards Manual; and (b) to customers and clients of the Franchised Business.

You may not offer or sell services or products through any means other than through the Franchised Business at the Approved Location; and, therefore, for example, you may not offer or sell services or products from satellite locations, temporary locations, mobile vehicles or formats, carts or kiosks, by use of catalogs, the Internet, or through any other electronic or print media.

The Approved Location for the Franchised Business will be specified in the Franchise Agreement. You may not relocate the Franchised Business without our prior written approval. If you ask to relocate the Franchised Business, we will evaluate your request on the basis of the same standards that we apply to reviewing the proposed location of a "PickleRage" Facility for a new franchisee.

You do not need to meet any particular sales or revenue volume in order to keep your Protected Territory as described above so long as you stay in compliance with the terms of your Franchise Agreement.

We do not have the right to modify your Protected Territory so long as you stay in compliance with the terms of your Franchise Agreement.

Under the Franchise Agreement you will not have any options, rights of first refusal, or similar rights to acquire additional franchises or other rights, whether inside the Protected Territory or elsewhere.

Development Agreement:

If you and we enter into a Development Agreement, you will be awarded a Development Area. The size of the Development Area will vary based on a number of factors including the density of the area, the number of Facilities you must develop, demographics, competition, and location of any existing Facilities in the general area. As a result, the Development Area is likely to consist of a portion of the city, county, or designated market area. The agreed-upon Development Area will be identified in the Development Agreement.

If you are a Developer, then we will not establish or license anyone other than you to establish a Facility under the System in your Development Area, until the end of the period of time specified in the Development Schedule to your Area Development Agreement (so long as you are in compliance with the Development Agreement), except that we will reserve all of the rights described below.

We (and our affiliates) retain all rights not specifically granted to you. We will have the right (among other things), on any terms and conditions that we deem advisable, and without granting

you any rights, to conduct any or all of the business activities that we reserve the sole right to conduct under the Franchise Agreement, as described above in this Item 12.

As a result, you will not receive an exclusive territory under a Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except for the requirement that you be in compliance with your obligations under the Development Agreement (including for example the development schedule), continuation of your rights under the Development Agreement, as described above, is not subject to achieving any particular sales or revenue volume, market penetration, quota, or other benchmark. We may not modify your territorial rights. We will review (and when appropriate, accept) proposed sites for Facilities under a Development Agreement using our then-current site criteria.

ITEM 13 TRADEMARKS

Under a Franchise Agreement, we will license you to operate a Franchised Business under the trademark "PickleRage" (plus the designs, logos, and other current or future trademarks that we authorize you to use to identify your Facility).

Our affiliate, PickleRage IP LLC ("**PR-IP**"), owns and has registered the following principal Proprietary Marks (among others) on the principal register of the U.S. Patent and Trademark Office ("**USPTO**"):

Mark	Registration Number	Registration Date
PICKLERAGE	8025271	November 11, 2025
PICKLERAGE	8070011	December 16, 2025
	8124412	February 3, 2026

All affidavits and renewals have been or will be filed at the appropriate time.

We are parties to a perpetual trademark license agreement dated October 24, 2023 with PR-IP, under which PR-IP licensed to us the right to use and to license other to use these Marks (the "**License Agreement**"). Both we and PR-IP are owned as subsidiaries of PickleRage LLC. PR-IP may terminate the License Agreement only if we are in an uncured material breach or upon both parties' consent. If the License Agreement is terminated, PR-IP or its designee will license the Marks to you for your use as an "PickleRage" franchisee for the remainder of the term of your Franchise Agreement.

There are no currently effective determinations of the USPTO, the trademark administrator of this state, or of any court, nor any pending interference, opposition, or cancellation proceedings, nor any pending material litigation involving the trademarks, service marks, trade names, logotypes, or other commercial symbols which is relevant to their use in this state or any other state in which the Franchised Business is to be located. Other than the License Agreement, there are no agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks (including trademarks, service marks, trade names, logotypes, or other commercial symbols) that are in any manner material to the franchise. There are no infringing uses actually known to us which could materially affect your use of the Proprietary Marks in this state or elsewhere.

We have the right to substitute different Proprietary Marks for use in identifying the System if our currently owned Proprietary Marks can no longer be used or if we determine that updated or changed Proprietary Marks will be beneficial to the System. If we do so, you will have to adopt the new Proprietary Marks (for example, update your signage) at your expense.

You must promptly notify us of any suspected infringement of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, or your right to use, the Proprietary Marks licensed under the Franchise Agreement. Under the Franchise Agreement, we will have the sole right to initiate, direct, and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement of the action. We also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. If you used the Proprietary Marks in accordance with the Franchise Agreement, we would defend you at our expense against any third party claim, suit, or demand involving the Proprietary Marks arising out of your use. If you did not use the Proprietary Marks in accordance with the Franchise Agreement, we will defend you, at your expense, against those third party claims, suits, or demands.

If we undertake the defense or prosecution of any litigation concerning the Proprietary Marks, you must sign any documents and agree to do the things that, in our counsel's opinion, may be necessary to carry out such defense or prosecution, such as becoming a nominal party to any legal action. Except to the extent that the litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we agree to reimburse you for your out of pocket costs in doing these things, except that you will bear the salary costs of your employees, and we will bear the costs of any judgment or settlement. To the extent that the litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, you must reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Copyrights

We own common law copyrights in the Brand Standards Manual, our recipe books, certain drawings, and advertising materials, and we will make these available to you. These materials are our proprietary property and must be returned to us upon expiration or termination of the Franchise Agreement.

We will provide you, under the terms of the Franchise Agreement, standard floor plans and specifications for construction of a Facility. You may be required to employ a licensed architect or engineer, who will be subject to our reasonable acceptance, to prepare plans and specifications for construction of your Facility, based upon our standard plans. These revised plans will be subject to our acceptance. You will be entitled to use the plans only for the construction of a single Facility at the site that we have accepted under the Franchise Agreement, and for no other purpose. We will require your architect and contractor to agree to maintain the confidentiality of our plans and to assign to us any copyright in the derivative plans they create.

There are no currently effective determinations of the USPTO, U.S. Copyright Office, or any court concerning any copyright. There are no currently effective agreements under which we derive our rights in the copyrights and that could limit your use of those copyrighted materials. The Franchise Agreement does not obligate us to protect any of the rights that you have to use any copyright, nor does the Franchise Agreement impose any other obligation upon us concerning copyrights. We are not aware of any infringements that could materially affect your use of any copyright in any state.

Confidential Brand Standards Manual

In order to protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you must conduct your business in accordance with the Brand Standards Manual. We will lend you one set of our Brand Standards Manual, which we have the right to provide in any format we choose (including paper or digital), for the term of the Franchise Agreement.

You must at all times accord confidential treatment to the Brand Standards Manual, any other Brand Standards Manual we create (or that we approve) for use with the Franchised Business, and the information contained in the Brand Standards Manual. You must use all reasonable efforts to maintain this information as secret and confidential. You may never copy, duplicate, record, or otherwise reproduce the Brand Standards Manual and the related materials, in whole or in part (except for the parts of the Brand Standards Manual that are meant for you to copy, which we will clearly mark as such), nor may you otherwise let any unauthorized person have access to these materials. The Brand Standards Manual will always be our sole property. You must always maintain the security of the Brand Standards Manual.

We may periodically revise the contents of the Brand Standards Manual, and you must consult the most current version and comply with each new or changed standard. If there is ever a dispute as to the contents of the Brand Standards Manual, the version of the Brand Standards Manual (that we maintain) will be controlling.

Confidential Information

Except for the purpose of operating the Facility under the Franchise Agreement, you may never (during Franchise Agreement's term or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know how concerning the operation of the Franchised Business that may be communicated to you or that you may learn by virtue of your operation of a Facility. You may divulge confidential information only to those of your employees who must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know how, and techniques that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. However, this will not include information that you can show that came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

In addition, you must require each of your Principals and your General Managers to sign confidentiality covenants. Every one of these covenants must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Facility. These agreements must be in a form that we find satisfactory, and must include, among other things, specific identification of our company as a third party beneficiary with the independent right to enforce the covenants. Our current forms for this agreement are attached as Exhibit F-1 and F-2 to the Franchise Agreement). Once signed, you must provide us with a copy of each executed confidentiality agreement.

Patents

No patents are material to the franchise.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUALOPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you (or your Operating Partner or one of your designated Management Personnel who will assume primary responsibility for the franchise operations and who we have previously approved in writing) must devote full time, energy, and best efforts to the management and operation of the Franchised Business, and must successfully complete the initial training program. Your Facility must be managed at all times by you (or your Operating Partner or General Manager) or by a manager who has completed our initial training program to our satisfaction. The Operating Partner must own at least a 10% voting and ownership interest in the franchisee entity. You must obtain personal covenants from your Management Personnel, supervisors, and principals regarding confidentiality, Proprietary Marks, and non-competition. All of the owners of your entity, and their spouses, must sign the personal guarantee that is attached to the Franchise Agreement.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those goods and services that we have approved. We may change the approved product offerings and any related merchandising and promotional materials at any time. You must use only displays, forms and other paper and plastic products imprinted with the trademarks.

All food and beverage products must be prepared and served only by properly trained personnel in accordance with the Brand Standards Manual. All items offered from the Facility will be sold only at retail to customers unless otherwise approved by us.

We have the right to add other authorized goods and services that you must offer. These changes also may include new, different or modified equipment or fixtures necessary to offer such products and services. There are no limits on our right to make these changes.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

FRANCHISE AGREEMENT			
	Provision	**Section in Franchise Agreement**	**Summary**
a.	Length of the franchise term	2.1	Term expires ten years after the Effective Date of the Franchise Agreement
b.	Renewal or extension of the term	2.2	Renewal of right to operate the franchised business for two additional five-year terms by signing our then-current franchise agreement (which may contain terms and conditions materially different from those in your original agreement), subject to contractual requirements described in "c" below
c.	Requirements for you to renew or extend	2.2.1 to 2.2.9	Timely written notice of intent to renew; refurbishment to comply with our then-current standards; compliance with agreement terms during agreement term and at time of renewal; timely compliance with all financial obligations; execution of then-current franchise agreement (which may contain terms and conditions materially different from those in your original agreement); payment of renewal fee; execution of renewal agreement with general release; compliance with then-current personnel and training requirements; and demonstrated right to remain in approved location.
d.	Termination by you	Not applicable	
e.	Termination by us without cause	Not applicable	

FRANCHISE AGREEMENT			
	Provision	**Section in Franchise Agreement**	**Summary**
f.	Termination by us with cause	17	Default under Franchise Agreement, abandonment, and other grounds; see § 17 of the Franchise Agreement.
g.	"Cause" defined – curable defaults	17.3	All defaults not specified in §§ 17.1 and 17.2 of the Franchise Agreement.
h.	"Cause" defined – non-curable defaults	17.1 to 17.2	Abandonment, conviction of felony, and others; see § 17.2 of the Franchise Agreement.
i.	Your obligations on termination or non-renewal	18 to 19	Stop operating the Franchised Business, pay all amounts due, and others; see §§ 18.1 to 18.12, and § 19 of the Franchise Agreement.
j.	Assignment of contracts by us	16.1	There are no limits on our right to assign the Franchise Agreement.
k.	"Transfer" by you – definition	16.4	Includes any sale, assignment, conveyance, pledge, encumbrance, merger, creation of a security, direct, or indirect interest in: (a) the Franchise Agreement; (b) you; (c) any or all of your rights or obligations under the Franchise Agreement; or (d) all or substantially all of the assets of the Franchised Business.
l.	Our approval of transfer by you	16.4 to 16.5	You may not make any transfers without our prior consent.
m.	Conditions for our approval of transfer	16.5	Release, signature of new franchise agreement (which may contain terms and conditions materially different from those in your original agreement), payment of transfer fee, and others; see §§ 16.5.1 to 16.5.10.
n.	Our right of first refusal to acquire your business	16.6	We have the right (not obligation) to match any bona fide offer.
o.	Our option to purchase your business	18.4 to 18.5	Upon termination or expiration of the Franchise Agreement, we can acquire any interest which you have in any lease or sublease for the premises and purchase your furnishings, equipment, material, or inventory at the lesser of cost or fair market value.
p.	Your death or disability	16.7	Representative must promptly apply for our approval to transfer interest and pay reasonable costs we incur in reviewing transfer.

FRANCHISE AGREEMENT			
	Provision	**Section in Franchise Agreement**	**Summary**
q.	Non-competition covenants during the franchise term	19.2 to 19.8	Prohibits engaging in "Competitive Business" (meaning any business: (a) that is the same as or similar to the overall presentation of a "PickleRage" Facility; (b) whose offering of facilities to play "pickleball" and/or for "pickleball" training accounts for more than 20% of its total offerings and/or total revenue in any of the trailing twelve calendar months, with no other time or geographical limitation.
r.	Non-competition covenants after the franchise is terminated or expires	19.2 to 19.8	Prohibits engaging in Competitive Business: (a) at the Approved Location; (b) within five miles of the Approved Location; and also (c) within five miles of any other "PickleRage" Facility business that is then-currently operated or planned elsewhere in the United States. Applies for two years after expiration, termination, or a transfer.
s.	Modification of the agreement	25.3	Only with mutual agreement and in writing.
t.	Integration/merger clause	25	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations, prior statements, or promises will be binding (and supersede all prior agreements). Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u.	Dispute resolution by arbitration or mediation	27	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except for injunctive relief) in the Broward County, Florida area. The Franchise Agreement contains provisions that may affect your rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See § 27 of the Franchise Agreement. Please also see the various state disclosure addenda and agreement amendments attached to this disclosure document, which contain additional terms that may be required under applicable state law.
v.	Choice of forum	27.2	Subject to applicable state law, any action you bring against us must be brought only within courts with jurisdiction over Broward County, Florida. Any action we bring against you may be brought in the

FRANCHISE AGREEMENT			
	Provision	**Section in Franchise Agreement**	**Summary**
			jurisdiction where we maintain our principal place of business. Your state law may impact this provision.
w.	Choice of law	27.1	Subject to applicable state law, Florida law. Your state law may impact this provision.

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.

DEVELOPMENT AGREEMENT			
	Obligation	**Section in Develop-ment Agreement**	**Summary**
a.	Length of the development agreement term	3	The Development Schedule term will be agreed upon by the parties before entering into the Development Agreement
b.	Renewal or extension of the term	Not Applicable	
c.	Requirements for you to renew or extend	Not Applicable	
d.	Termination by you	Not Applicable	
e.	Termination by us without cause	Not Applicable	
f.	Termination by us with cause	3, 9, 11.5, and 13	Failure to meet the Development Schedule, default or termination under the Franchise Agreement, abandonment, and other grounds; this also cross-references § 17 of the Franchise Agreement. Termination of the Development Agreement does not constitute a default under any of your Franchise Agreements.

DEVELOPMENT AGREEMENT			
	Obligation	**Section in Develop-ment Agreement**	**Summary**
			This clause, like many of those in the Development Agreement, incorporate by reference the corresponding provisions of the Franchise Agreement.
g.	"Cause" defined – curable defaults	11.5 and 13	Please also see §§ 17.1 and 17.2 of the Franchise Agreement. Termination of the Development Agreement does not constitute a default under any of your Franchise Agreements.
h.	"Cause" defined – non-curable defaults	11.5 and 13	Failure to meet development schedule or termination of a Franchise Agreement, and others; please also see § 17.2 of the Franchise Agreement. Termination of the Development Agreement does not constitute a default under any of your Franchise Agreements.
i.	Your obligations on termination or non-renewal	11.6, 11.7	Please see also §§ 18.1 to 18.11 of the Franchise Agreement.
j.	Assignment of contracts by us	11.4	There are no limits on our right to assign the Development Agreement.
k.	"Transfer" by you – definition	11.4, 12	Includes any sale, assignment, conveyance, pledge, encumbrance, merger, creation of a security, direct, or indirect interest in: (a) the Development Agreement; (b) you; (c) any or all of your rights or obligations under the Development Agreement; or (d) all or substantially all of the assets of the developer's business.
l.	Our approval of transfer by you	11.4, 12	We have the right to review and approve all proposed transfers.
m.	Conditions for our approval of transfer	11.4, 12	Your compliance with the agreement, a release, the buyer's signature of a new development agreement (which may contain terms and conditions materially different from those in your original agreement), the payment of transfer fee, and others; please also see §§ 16.5.1 to 16.5.10 of the Franchise Agreement. We may withhold our consent to a transfer of some, but not all, of the Franchise Agreements separate from one another, and in any case, separate from

DEVELOPMENT AGREEMENT			
	Obligation	**Section in Develop-ment Agreement**	**Summary**
			the rights set forth under the Development Agreement.
n.	Our right of first refusal to acquire your business	11.4, 12	We can match any offer, or the cash equivalent. Please also see § 16.6 of the Franchise Agreement.
o.	Our option to purchase your business	11.4, 12	We can acquire your lease or sublease for the premises, and purchase your equipment, material, and inventory at cost or fair market value after termination or expiration. Please also see §§ 18.4–18.5 of the Franchise Agreement
p.	Your death or disability	11.4, 12	An interest in Development Agreement must be transferred to a third-party we have approved within six months. Please also see § 16.7 of the Franchise Agreement.
q.	Non-competition covenants during the franchise term	11.7	Prohibits engaging in "Competitive Business" (meaning any business: (a) that is the same as or similar to the overall presentation of a "PickleRage" Facility; (b) whose offering of facilities to play "pickleball" and/or for "pickleball" training accounts for more than 20% of its total offerings and/or total revenue in any of the trailing twelve calendar months, with no other time or geographical limitation.
r.	Non-competition covenants after the franchise is terminated or expires	11.7	Includes a two-year prohibition similar to "q" (above), an applies within: (a) the Development Area; (b) five miles of the Development Area; and also (c) five miles of any other Facility then operating under the System.
s.	Modification of the agreement	14	Must be in writing executed by both parties.
t.	Integration/merger clause	14	Only the terms of the Development Agreement are binding. Notwithstanding the foregoing, nothing in the Development Agreement is intended to disclaim the express representations made in this FDD.

DEVELOPMENT AGREEMENT			
	Obligation	**Section in Develop-ment Agreement**	**Summary**
u.	Dispute resolution by arbitration or mediation	11.14	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except for injunctive relief) in the Broward County, Florida area. There are provisions that may affect your rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See § 11.14 of the Development Agreement, which incorporates by reference § 27 of the Franchise Agreement. Please also see the various state disclosure addenda and agreement amendments attached to this disclosure document, which contain additional terms that may be required under applicable state law.
v.	Choice of forum	11.14	The parties agree that any action that you bring against us, in any court, whether federal or state, must be brought only within the courts that have jurisdiction over Broward County, Florida. Any action that we bring against you in any court, whether federal or state, may be brought within the state and judicial district in which we maintain our principal place of business.
w.	Choice of law	11.14	Florida law. Your state law may impact this provision.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose 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 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 performance at a particular location or under particular circumstances.

The following financial performance information relates only to PickleRage corporate-owned locations. PickleRage Franchising LLC had three (3) corporate-owned facilities operating during the 2025 calendar year. No franchised PickleRage locations were open and operating for the full 2025 calendar year, therefore, no franchisee financial performance data is included in this Item 19. The information below is derived from three corporate-owned PickleRage locations that operated indoor pickleball facilities with between nine (9) and ten (10) courts during 2025. Each facility generated revenue through memberships, court bookings, leagues, tournaments, instruction, social play, events, and related ancillary services.

The performance metrics presented below include Revenue per Member per Month, which we believe provide useful indicators of operating performance within PickleRage facilities. Revenue per Member per Month is calculated by dividing the total revenue during the year by the average number of active members during the same period, and then dividing by twelve months.

Type	Low	Median	High	Average Active Members
Memberships	443	460	498	467
Revenue Per Member/Month	$158.52	$189.14	$231.81	$189.89

If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting us at legal@picklerage.com; 1000 5th Street, Suite 100, Miami Beach, FL 3313 (tel: 800-590-7472), the Federal Trade Commission, and the appropriate state regulatory agencies.

Remainder of Page Intentionally Left Blank

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For 2023 to 2025 (Note 1)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	1	+1
Company-Owned (note 2)	2023	0	0	0
	2024	0	3	+3
	2025	3	4	+1
Total Outlets	2023	0	0	0
	2024	0	3	+3
	2025	3	5	+2

Notes to Item 20 tables:

1. This reflects data as of our fiscal year ends, which fall on December 31st each year.

2. States that are not listed had no activity during the relevant years.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For 2023 to 2025

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

Table No. 3
Status of Franchised Outlets
For 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Total	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1

Table No. 4
Status of Company-Owned and Affiliate-Owned Outlets
For 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	0	1
Maryland	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	0	1
Michigan	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	0	1
South Carolina	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	1	0	0	0	1
Total	2023	0	0	0	0	0	0
	2024	0	3	0	0	0	3
	2025	3	1	0	0	0	4

Table No. 5
Projected Openings for 2026 as of December 31, 2025

State	Franchise Agreements Signed But Facility Not Open	Projected Franchised Facility Openings	Projected Company-Owned Facility Openings
Alabama	1	0	0
Arizona	1	1	0
Colorado	1	1	0
Illinois	1	0	0
Indiana	1	1	0
Florida	3	3	0
Maryland	1	1	0
Michigan	3	1	0
Nebraska	1	1	0
Nevada	1	1	0
New Hampshire	1	1	0
New Jersey	2	2	0
New York	1	1	0
North Carolina	4	2	0
Ohio	3	2	0
Texas	3	2	0
Total	28	18	0

A list of the names of all franchisees and Developers and the addresses and telephones numbers of their franchises as of December 31, 2025 is provided in Exhibit D to this disclosure document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or Developer who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance date of this disclosure document will be listed on Exhibit E to this disclosure document.

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

During the last three fiscal years, no franchisees have signed confidentiality provisions that would restrict their ability to speak openly about their experience with PickleRage System.

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

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year end is December 31st. Our audited financial statements as of and for the years ended December 31, 2025 and 2024, and as of and for the period ended December 31, 2023, are included in Exhibit A.

ITEM 22 CONTRACTS

Attached as exhibits to this disclosure document are the following contracts and their attachments:

Exhibit B	Franchise Agreement
Exhibit C	Development Agreement
Exhibit I	Form of General Release

ITEM 23 RECEIPTS

Attached as Exhibit K are two copies of an acknowledgment of receipt of this Disclosure Document (the last two pages of this Disclosure Document). Please sign and date one copy of the receipt and send that back to us and keep the other copy with this FDD for your records.

Exhibit A: Financial Statements

FINANCIAL STATEMENTS

PickleRage Franchise, LLC

Financial Statements and
Independent Auditor's Report

December 31, 2025 and 2024

PICKLERAGE FRANCHISE, LLC

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Operations and Member's Equity (Deficit)	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 8

Assurance | Tax | Advisory

INDEPENDENT AUDITOR'S REPORT

To the Management of
PickleRage Franchise, LLC

Opinion

We have audited the accompanying financial statements of PickleRage Franchise, LLC (the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations and member's equity (deficit), 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 the Company as of December 31, 2025 and 2024, 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 audits 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 Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Company'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 Company'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 Company'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.

FGMK, LLC

Bannockburn, Illinois
April 30, 2026

PICKLERAGE FRANCHISE, LLC

BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash	$ 11,707	$ 1,864
Accounts receivable	65,000	-
	$ 76,707	$ 1,864
LIABILITIES AND MEMBER'S DEFICIT		
LIABILITIES		
Accounts payable and accrued expenses	$ 60,987	$ 27,399
Contract liabilities	1,405,875	247,500
	1,466,862	274,899
MEMBER'S DEFICIT	(1,390,155)	(273,035)
	$ 76,707	$ 1,864

The accompanying notes are an integral part of these statements.

PICKLERAGE FRANCHISE, LLC

STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUE		
Royalty income	$ 20,363	$ -
Training income	7,500	-
Initial franchise fees	59,125	-
	86,988	-
OPERATING EXPENSES	2,275,194	1,022,345
NET LOSS	(2,188,206)	(1,022,345)
MEMBER'S EQUITY (DEFICIT)		
Beginning of year	(273,035)	2,736
Contributions	1,071,086	746,574
End of year	$ (1,390,155)	$ (273,035)

The accompanying notes are an integral part of these statements.

PICKLERAGE FRANCHISE, LLC

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (2,188,206)	$ (1,022,345)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(65,000)	-
Accounts payable and accrued expenses	33,588	20,625
Contract liabilities	1,158,375	247,500
Due to member	-	(490)
Net Cash Used In Operating Activities	(1,061,243)	(754,710)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions received	1,071,086	746,574
NET CHANGE IN CASH	9,843	(8,136)
CASH - BEGINNING OF YEAR	1,864	10,000
CASH - END OF YEAR	$ 11,707	$ 1,864

The accompanying notes are an integral part of these statements.

PICKLERAGE FRANCHISE, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business. PickleRage Franchise, LLC (the "Company") was organized in July 2023 as a limited liability company under the laws of the state of Delaware. The Company is a franchisor selling PickleRage franchises nationwide. PickleRage franchises will develop and operate facilities which will offer recreational services to customers seeking to play the sport of "pickleball" and related racquet sports as well as ancillary services involving instruction, clinics, tournaments, and league play.

Basis of Accounting. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Management Estimates and Assumptions. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in those financial statements and accompanying notes. Actual results could differ from those estimates. Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. Accounting estimates used in the preparation of these financial statements may change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes.

Accounts Receivable and Allowance for Credit Losses. Accounts receivable are uncollateralized customer obligations due under normal trade terms granted by the Company on the basis of each customer's own creditworthiness. The carrying amount of accounts receivable is reduced by an allowance for credit losses. The Company's allowance for credit losses represents the estimate of expected credit losses related to accounts receivable. The Company pools its accounts receivable based on similar risk characteristics, such as geographic location, business channel, and other account data. To estimate the allowance for credit losses, the Company leverages information on historical losses, asset-specific risk characteristics, current conditions, and reasonable and supportable forecasts of future conditions. The Company also utilizes practical expedients allowing it to assume current conditions remain unchanged for the asset's remaining life, and consider post-balance-sheet collection activity when estimating credit losses. Account balances are written off against the allowance when the Company deems the amount is uncollectible. Gross accounts receivable was $65,000, $-0-, and $-0- as of December 31, 2025, December 31, 2024 and January 1, 2024, respectively. Management did not believe an allowance was needed as of December 31, 2025, December 31, 2024 and January 1, 2024.

Revenue Recognition. Revenue is recognized when performance obligations under the terms of the contracts with customers are satisfied. The Company derives its revenues primarily from franchise fees, royalties, and marketing fees.

Franchise fees, royalties and other franchise related fees - Contract consideration from franchisees consists primarily of initial or renewal franchise fees, development agreement fees, sales-based royalties, sales-based local marketing fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company also may enter into development agreement which grant a franchisee the right to develop two or more facilities. The Company collects an up-front fee for the grant of such rights. The initial franchise fees are nonrefundable and collectible when the underlying franchise agreement or development agreement is signed by the franchisee, unless governed by specific state law to defer collection until the facility is open. Sales-based royalties and sales-based local marketing fees are payable monthly. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include introductory training and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined all pre-opening activities to be highly interrelated and interdependent to the access to the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

(Continued)

PICKLERAGE FRANCHISE, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Revenue Recognition. *Franchise fees, royalties and other franchise-related fees* - (Concluded)**.** Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. Forfeited franchise fees are recognized in full in the period in which the forfeiture occurs, as the related performance obligations are deemed complete. Development agreements generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

Royalties are earned as a percentage of franchisee gross sales. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Marketing fund - The Company maintains a marketing fund to collect and administer funds contributed for use in advertising and promotional programs for the benefit of franchise units. Marketing fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the marketing fund and therefore will recognize the revenues and expenses related to the marketing fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing fund are highly interrelated and therefore will be accounted for as a single performance obligation.

As a result, revenues from the marketing fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When marketing fund fees exceed the related marketing fund expenses in a reporting period, marketing costs are accrued up to the amount of marketing fund revenues recognized.

Additional training and other revenues - The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Contract liabilities - The Company receives advanced payments from customers for contracts entered into with future services to be provided, in which the performance obligations have not been fully satisfied, which are contract liabilities. Contract liabilities were $1,405,875, $247,500 and $-0- as of December 31, 2025, December 31, 2024, and January 1, 2024, respectively.

Income Taxes. The Company is a disregarded entity for income tax purposes and, therefore, its net earnings will be reported in the income tax return of its sole member.

NOTE 2 – LIQUIDITY AND CAPITAL RESOURCES

The Company is an early-stage franchisor that commenced operations in 2023. Since inception, the Company has incurred significant losses and negative cash flows from operations and, as a result, has an accumulated member's deficit of $1,390,155 as of December 31, 2025. The Company's operations have been funded primarily through cash generated from operations and capital contributions from its owner. The Company is growing and, as such, is incurring expenditures in the near term to benefit the future as it looks to develop its franchise system, establish brand awareness, and execute its growth strategy. Such expenses could be reduced or eliminated in order to improve operating cash flows as needed in the future.

(Continued)

PICKLERAGE FRANCHISE, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – LIQUIDITY AND CAPITAL RESOURCES (Concluded)

As of the date these financial statements were available to be issued, the Company continues to focus on growth and expects to generate royalties as franchisees begin to open and operate. The Company's owner has also historically provided funding to support operations, including contributions of $1,071,086 and $746,574 during the years ended December 31, 2025 and 2024, respectively. Management believes that the Company's owner has the intent and ability to continue to provide the funds needed, if any, to continue to fund the operations of the Company for at least one year from the date these financial statements were available to be issued.

NOTE 3 – RELATED-PARTY TRANSACTIONS

Management Fees. A related party under common control provides management and consulting services to the Company. Management fees were $-0- and $406,594 for the years ended December 31, 2025 and 2024, respectively. There were no management fees payable as of December 31, 2025 and 2024.

Service Fees. A related party under common control provides HR, accounting and IT services to the Company. Service fees were $75,485 and $36,730 for the years ended December 31, 2025 and 2024, respectively. Service fees payable were $6,850 and $2,960 as of December 31, 2025 and 2024, respectively.

Marketing Fees. A related party under common control provides marketing services to the Company. Marketing fees were $339,254 and $185,586 for the years ended December 31, 2025 and 2024, respectively. Marketing fees payable were $27,200 and $8,870 as of December 31, 2025 and 2024, respectively.

NOTE 4 – SUBSEQUENT EVENTS

Management has evaluated all known subsequent events from December 31, 2025 through April 30, 2026, the date the accompanying financial statements were available to be issued, and is not aware of any material subsequent events occurring during this period.

PickleRage Franchise, LLC

Financial Statements and
Independent Auditor's Report

December 31, 2024 and 2023

PICKLERAGE FRANCHISE, LLC

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Operations and Member's Equity (Deficit)	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 7

Identifying opportunities.
Delivering solutions.

INDEPENDENT AUDITOR'S REPORT

To the Management of
PickleRage Franchise, LLC

Opinion

We have audited the accompanying financial statements of PickleRage Franchise, LLC (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and member's equity (deficit), and cash flows for the year ended December 31, 2024 and period from July 3, 2023 (Inception) to December 31, 2023, 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 PickleRage Franchise, LLC as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 Company'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 Company'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 Company'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.

FGMK, LLC

Bannockburn, Illinois
April 9, 2025

PICKLERAGE FRANCHISE, LLC

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash	$ 1,864	$ 10,000
	$ 1,864	$ 10,000
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
LIABILITIES		
Accounts payable and accrued expenses	$ 27,399	$ 6,774
Contract liabilities	247,500	-
Due to member	-	490
	274,899	7,264
MEMBER'S EQUITY (DEFICIT)	(273,035)	2,736
	$ 1,864	$ 10,000

The accompanying notes are an integral part of these statements.

PICKLERAGE FRANCHISE, LLC

STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)

YEAR ENDED DECEMBER 31, 2024 AND
PERIOD FROM JULY 3, 2023 (INCEPTION) TO DECEMBER 31, 2023

	2024	2023
OPERATING EXPENSES	$ 1,022,345	$ 217,544
NET LOSS	(1,022,345)	(217,544)
MEMBER'S EQUITY (DEFICIT)		
Beginning of period	2,736	-
Contributions	746,574	220,280
End of period	$ (273,035)	$ 2,736

The accompanying notes are an integral part of these statements.

PICKLERAGE FRANCHISE, LLC

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024 AND
PERIOD FROM JULY 3, 2023 (INCEPTION) TO DECEMBER 31, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (1,022,345)	$ (217,544)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	20,625	6,774
Contract liabilities	247,500	-
Due to member	(490)	490
Net Cash Used In Operating Activities	(754,710)	(210,280)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions received	746,574	220,280
NET CHANGE IN CASH	(8,136)	10,000
CASH - BEGINNING OF PERIOD	10,000	-
CASH - END OF PERIOD	$ 1,864	$ 10,000

The accompanying notes are an integral part of these statements.

PICKLERAGE FRANCHISE, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business. PickleRage Franchise, LLC (the "Company") was organized in July 2023 as a limited liability company under the laws of the state of Delaware. The Company is a franchisor selling PickleRage franchises nationwide. PickleRage franchises will develop and operate facilities which will offer recreational services to customers seeking to play the sport of "pickleball" and related racquet sports as well as ancillary services involving instruction, clinics, tournaments, and league play.

Basis of Accounting. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Management Estimates and Assumptions. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in those financial statements and accompanying notes. Actual results could differ from those estimates. Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. Accounting estimates used in the preparation of these financial statements may change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes.

Revenue Recognition. Revenue is recognized when performance obligations under the terms of the contracts with customers are satisfied. The Company derives its revenues primarily from franchise fees, royalties, and marketing fees.

Franchise fees, royalties and other franchise related fees - Contract consideration from franchisees consists primarily of initial or renewal franchise fees, development agreement fees, sales-based royalties, sales-based local marketing fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company also may enter into development agreement which grant a franchisee the right to develop two or more facilities. The Company collects an up-front fee for the grant of such rights. The initial franchise fees are nonrefundable and collectible when the underlying franchise agreement or development agreement is signed by the franchisee, unless governed by specific state law to defer collection until the facility is open. Sales-based royalties and sales-based local marketing fees are payable monthly. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include training and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined all pre-opening activities to be highly interrelated and interdependent to the access to the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

Franchise fees, royalties and other franchise related fees – (Concluded) Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. Development agreements generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

(Continued)

PICKLERAGE FRANCHISE, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Revenue Recognition. Royalties are earned as a percentage of franchisee gross sales. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Marketing fund - The Company maintains a marketing fund to collect and administer funds contributed for use in advertising and promotional programs for the benefit of franchise units. Marketing fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the marketing fund and therefore will recognize the revenues and expenses related to the marketing fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing fund are highly interrelated and therefore will be accounted for as a single performance obligation.

As a result, revenues from the marketing fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When marketing fund fees exceed the related marketing fund expenses in a reporting period, marketing costs are accrued up to the amount of marketing fund revenues recognized.

Additional training and other revenues - The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Contract liabilities - The Company receives advanced payments from customers for contracts entered into with future services to be provided, in which the performance obligations have not been fully satisfied, which are contract liabilities. Contract liabilities were $247,500, $-0- and $-0- as of December 31, 2024, December 31, 2023, and July 3, 2023 (Inception), respectively.

Income Taxes. The Company is a disregarded entity for income tax purposes and, therefore, its net earnings will be reported in the income tax return of its sole member.

NOTE 2 – RELATED-PARTY TRANSACTIONS

Management Fees. A related party under common control provides management and consulting services to the Company. Management fees were $406,594 and $-0- for the year ended December 31, 2024 and period ended December 31, 2023, respectively. There were no amounts payable under this arrangement as of December 31, 2024 and 2023.

Service Fees. A related party under common control provides HR, accounting and IT services to the Company. Service fees were $36,730 and $-0- for the year ended December 31, 2024 and period ended December 31, 2023, respectively. Service fees payable were $2,960 and $-0- under this arrangement as of December 31, 2024 and 2023, respectively.

Marketing Fees. A related party under common control provides marketing services to the Company. Marketing fees were $185,586 and $-0- for the year ended December 31, 2024 and period ended December 31, 2023, respectively. Marketing fees payable were $8,870 and $-0- under this arrangement as of December 31, 2024 and 2023, respectively.

Due to Member. Amounts due to member were unsecured, non-interest bearing and due on demand.

NOTE 3 – SUBSEQUENT EVENTS

Management has evaluated all known subsequent events from December 31, 2024 through April 9, 2025, the date the accompanying financial statements were available to be issued, and is not aware of any material subsequent events occurring during this period.

Exhibit B: Franchise Agreement

PickleRage
Franchise Agreement

PickleRage
Franchise Agreement

TABLE OF CONTENTS

Section	Title	Page #
1	Grant	2
2	Term And Renewal	3
3	Our Duties	5
4	Fees; Sales Reporting	6
5	Franchised Business Location, Construction and Renovation	9
6	Operating Principal, Personnel, and Training	13
7	Purchasing and Supply of Products	15
8	Your Duties	17
9	Proprietary Marks	24
10	Confidential Brand Standards Manual	26
11	Confidential Information	28
12	Accounting, Financial and Other Records, and Inspections	29
13	Marketing	33
14	Technology	33
15	Insurance	43
16	Transfer of Interest	46
17	Default and Termination	51
18	Obligations upon Termination or Expiration	54
19	Covenants	56
20	Taxes, Permits, and Indebtedness	59
21	Independent Contractor and Indemnification	60
22	Force Majeure	61
23	Approvals and Waivers	62
24	Notices	62
25	Entire Agreement and Amendment	62
26	Severability and Construction	63
27	Applicable Law and Dispute Resolution	64
28	Acknowledgments	65

Exhibits:

- A Data Sheet
- B Guarantee, Indemnification, and Acknowledgement
- C List of Principals
- D ACH - Authorization Agreement for Prearranged Payments (Direct Debits)
- E ADA Certification
- F Sample Form of Non-Disclosure Agreement
- G Site Selection Addendum
- H Lease Rider
- I Index to Defined Terms

PickleRage
Franchise Agreement

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into as of the date that we have indicated on the signature page of this Agreement (the "**Effective Date**") by and between:

- PickleRage Franchise LLC, a Delaware limited liability company with its principal place of business at 1000 5th Street, Suite 100, Miami Beach, Florida 33139 ("**we**", "**us**", "**our**", or the "**Franchisor**"); and

- _____, a [resident of] [corporation organized in] [limited liability company organized in] the State of_____ and having offices at _____ ("**you**" or the "**Franchisee**").

Introduction

*We operate and grant franchises for businesses that develop and provide recreational services to customers seeking to play the sport of "Pickleball" and related racquet sports, and well as ancillary services involving instruction, clinics, tournaments, and league play (the "**Services**"), operating in buildings that feature our interior and/or exterior designs, and which also feature our Products (each, a "**Facility**"). Facilities will also offer certain products, such as apparel and equipment, as well as grab-and-go food items as well as alcoholic and non-alcoholic beverages (collectively, the "**Products**"). Services also includes the services associated with preparing, marketing, and providing Products to customers.*

*Among the distinguishing characteristics of a Facility are that it operates under our "PickleRage" System. Our System includes (among other things): Products; signage; distinctive interior and exterior design and accessories; opening hours; operational procedures; standards and specifications; quality and consistency of products and services offered; management and inventory control procedures; software; training and assistance; business format, layouts and floor plans, methods, equipment lists and layouts, the Proprietary Marks (defined below), as well as advertising and promotional programs (together, the "**System**").*

*We identify the System by means of our Proprietary Marks. Our proprietary marks include certain trade names (for example, the "PickleRage" mark; U.S. App. 98070853), service marks, trademarks, logos, emblems, and indicia of origin, as well as other trade names, service marks, and trademarks that we may periodically specify in writing for use in connection with the System (all of these are referred to as our "**Proprietary Marks**"). We and our affiliates continue to develop, use, and control the use of our Proprietary Marks to identify for the public the source of Services and Products marketed under those marks and under the System, and to represent the System's standards of quality, cleanliness, appearance, and service.*

We are in the business of developing and awarding franchise rights to third party franchisees, such as you. You will be in the business of operating a Facility, using the same brand and Proprietary Marks as other independent businesses that operate other Facilities under the System (including some operated by our affiliates). We will not operate your Facility for you, although we have (and will continue) to set standards for Facilities, which standards you have chosen to adopt as yours by signing this Agreement and by your day-to-day management of your Facility under our brand standards.

You have asked to enter into the business of operating a Facility under our System and wish to obtain a franchise from us for that purpose, as well as to receive the training and other assistance we provide as described in this Agreement. You also understand and acknowledge the importance of our

standards of quality, cleanliness, appearance, and service and the necessity of operating the business franchised under this Agreement in conformity with our standards and specifications.

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

1 GRANT

1.1 *Rights and Obligations*. We grant you the non-exclusive right, and you accept the obligation, all under the terms (and subject to the conditions) of this Agreement.

1.1.1 To operate one *PickleRage* Facility under the System (the "**Franchised Business**");

1.1.2 To use the Proprietary Marks and the System, but only in connection with the Franchised Business (recognizing that we may periodically change or improve the Proprietary Marks and the System); and

1.1.3 To do all of those things only at the Accepted Location (as defined in Section 1.2 below).

1.2 *Accepted Location*. The street address of the location for the Franchised Business approved under this Agreement is specified in Exhibit A to this Agreement, and is referred to as the "**Accepted Location**."

1.2.1 When this Agreement is signed, if you have not yet obtained (and we have not yet accepted in writing) a location for the Franchised Business, then:

1.2.1.1 you agree to enter into a site selection addendum (the "**Site Selection Addendum**" in substantially the form that is attached as Exhibit H to this Agreement) at the same time as you sign this Agreement; and

1.2.1.2 you will then find a site, which will become the Accepted Location after we have given you our written approval for that site and you have obtained the right to occupy the premises, by lease, sublease, or acquisition of the property, all subject to our prior written approval and in accordance with the Site Selection Addendum and this Agreement.

1.2.2 We have the right to grant, condition, and/or to withhold approval of the Accepted Location under this Section 1.2. You agree that our review and approval of your proposed location, under this Section 1.2 and/or the Site Selection Addendum, does not constitute our assurance, representation, or warranty of any kind that your Franchised Business at the Accepted Location will be profitable or successful (as further described in Section 5 of the Site Selection Addendum).

1.2.3 You agree not to relocate the Franchised Business except as otherwise provided in Section 5.9 below.

1.3 *Protected Area*. During the term of this Agreement, we will not operate, nor will we grant to any other party the right to operate, a Facility within the area that is specified as your

"**Protected Area**," in the Data Addendum (Exhibit A), provided that you are in compliance with the terms of this Agreement (and also subject to Sections 1.4 through 1.7 below).

1.4 *Our Reserved Rights*. We and our affiliates reserve all rights that are not expressly granted to you under this Agreement. Among other things, we have the sole right to do any or all of the following (despite proximity to your Protected Area and/or Franchised Business as well as any actual or threatened impact on sales at your Franchised Business):

1.4.1 We have the right to establish, and franchise others to establish, Facilities anywhere outside the Protected Area;

1.4.2 We have the right to establish, and license others to establish, businesses that do not operate under the System and that do not use the Proprietary Marks licensed under this Agreement, even if those businesses offer or sell services and/or products that are the same as or similar to those offered from the Franchised Business, no matter where those businesses are located;

1.4.3 We have the right to acquire (or be acquired), combine, or otherwise merge with and then operate any business of any kind, anywhere (but not to be operated under as a "PickleRage" Facility inside the Protected Area); and

1.4.4 We have the right to market and sell our Products in retail stores or otherwise, through any channel of distribution (including alternative distribution channels such as e-commerce), anywhere (but not from a "PickleRage" Facility operating inside the Protected Area).

1.5 *Limits on Where You May Operate*.

1.5.1 You may offer and sell Services and Products only: **(a)** to customers of the Franchised Business; and **(b)** in accordance with the requirements of this Agreement and the procedures set out in the Brand Standards Manual (defined below).

1.5.2 You agree not to offer or sell any services or products through any means other than through the Franchised Business at the Accepted Location (so for example, you agree not to offer or sell services or products from satellite locations, temporary locations, mobile formats, carts or kiosks, by use of catalogs, the Internet, through other businesses, and/or through any other electronic or print media).

1.6 *Other Brands*. You understand that we may operate (or be affiliated with companies that operate) businesses under brand names (whether as company-owned concepts, as a franchisor, as a franchisee, or otherwise) in addition to the "PickleRage" brands, and also that we may acquire and operate businesses and other brands (or be acquired by a company that operates other brands) (collectively, "**Other Brands**"). You understand and agree that this Agreement does not grant you any rights with respect to any such Other Brands.

2 TERM AND RENEWAL

2.1 *Term*. The term of this Agreement starts on the Effective Date and, unless this Agreement is earlier terminated in accordance with its provisions, will expire either ten (10) years after the

Franchise Business is opened or eleven (11) years from the Effective Date, whichever comes first.

2.2 *Renewal*. You will have the right to renew your rights to operate the Franchise Business for two (2) additional consecutive successor terms of five (5) years each, so long as you have satisfied all of the conditions specified in Sections 2.2.1 through 2.2.9 before each such renewal:

2.2.1 You agree to give us written notice of your choice to renew at least nine (9) months before the end of the term of this Agreement (but not more than twelve (12) months before the term expires).

2.2.2 You agree to remodel and refurbish the Franchised Business to comply with our then-current standards in effect for new Facilities (as well as the provisions of Sections 8.8 and 14.1.4 below).

2.2.3 At the time of renewal: **(a)** you must be in material compliance with the provisions of this Agreement (including any amendment to this Agreement), any successor to this Agreement, and/or any other contract between you (and your affiliates) and us (and our affiliates) and **(b)** in our reasonable judgment, you must have been in material compliance during the term of this Agreement, even if we did not issue a notice of default or exercise our right to terminate this Agreement if you did not meet those obligations.

2.2.4 You must have timely met all of your financial obligations to us, our affiliates, the Marketing Fund, and/or the Regional Fund, as well as your vendors (including your lessors, suppliers, staff, and all other parties with whom you do business), throughout the term of this Agreement (even if we did not issue a notice of default or exercise our right to terminate this Agreement if you did not meet your obligations). You must be current with respect to your financial and other obligations to your lessor, suppliers, and all other parties with whom you do business.

2.2.5 You must sign our then-current form of franchise agreement, which will supersede this Agreement in all respects (except with respect to the renewal provisions of the new franchise agreement, which will not supersede this Section 2), and which you agree may contain terms, conditions, obligations, rights, and other provisions that are substantially and materially different from those spelled out in this Agreement (including, for example, a higher percentage Royalty Fee and marketing contribution). Your direct and indirect owners must also sign and deliver to us a personal guarantee of your obligations under the renewal form of franchise agreement. (In this Agreement, the term "**entity**" includes a corporation, a limited liability company, a partnership, a trust, and/or a limited liability partnership.)

2.2.6 Instead of a new initial franchise fee, you agree to pay us a renewal fee of $16,250 or 25% of our then-current initial franchise fee (whichever is more).

2.2.7 You agree to also sign and deliver to us a renewal amendment to your new franchise agreement, which will include (among other things) a mutual general release (which will include limited exclusions) in a form that we will reasonably provide. Your affiliates and your respective direct and indirect owners (and any other parties that we reasonably request) must also sign and deliver that renewal agreement and mutual release.

2.2.8 You and your personnel must meet our then-current qualification and training requirements.

2.2.9 You agree to present to us satisfactory evidence that you have the right to remain in possession of the Accepted Location for the entire renewal term of this Agreement.

3 OUR DUTIES

3.1 *Training*. We will provide you with the training specified in Section 6 below.

3.2 *Site Selection.* We will provide site selection assistance (however, you will retain the sole responsibility for choosing a viable site, even though we will have provided assistance and our opinions on the options).

3.3 *Standard Layout and Equipping of a Facility*. We will make available to, at no additional charge, our standard layout, design, and image specifications for a Facility, including the exterior and interior design and layout, fixtures, furnishings, equipment, and signs. We have the right to modify our standard layout plans and specifications as we deem appropriate periodically (however, once we have provided those plans and specifications to you, we will not further modify the layout plans and specifications for the initial construction of your Facility). We will also provide the site selection and lease review assistance called for under Section 5.3 below.

3.4 *Opening and Additional Assistance*. We may (but are not obligated to) provide a representative to be present at the grand opening of the Franchised Business. We will provide such additional on-site pre-opening and opening supervision and assistance that we think is advisable, and as may be described in the Brand Standards Manual (defined below).

3.5 *Brand Standards Manual*. We will provide you with access to one (1) copy of our confidential Brand Standards Manuals and other written instructions relating to the operation of a Facility (the "**Brand Standards Manual**"), in the manner and as described in Section 10 below, for you to use only in connection with operating the Facility during the term of this Agreement.

3.6 *Marketing Materials*. We will assist you in developing the Grand Opening Marketing Program (defined below). We have the right to approve or disapprove all marketing and promotional materials that you propose to use, pursuant to Section 13 below.

3.7 *Marketing Funds*. We will administer the Marketing Fund (as defined in Section 13 below) in the manner set forth in Section 13 below.

3.8 *Inspection Before Opening*. We will evaluate the Franchised Business before it first opens for business. You agree to not open the Franchised Business to customers or otherwise start operation until you have received our prior written approval to do so. You agree to provide us with written notice of the date that you intend to start operating at least forty-five (45) days before the planned opening date.

3.9 *Assistance*. We will provide you with assistance in the marketing, management, and operation of the Franchised Business at the times and in the manner that we determine. We will periodically offer you the services of certain of our representatives, such as a field consultant, and these representatives will periodically visit your Franchised Business and offer advice regarding your operations, as we deem necessary to meet our own standards.

3.10 *Services Performed*. You agree that any of our designees, employees, agents, or independent contractors (such as an "area representative") may perform any duty or obligation imposed on us by the Agreement, as we may direct (if so, we will, nonetheless, remain responsible to you for the performance of these obligations).

3.11 *Our Decision-Making*. In fulfilling our obligations under this Agreement, and in conducting any activities or exercising our rights pursuant to this Agreement, we (and our affiliates) will always have the right: **(a)** to take into account, as we see fit, the effect on, and the interests of, other franchised and company-owned or affiliated businesses and systems; **(b)** to share market and product research, and other proprietary and non-proprietary business information, with other franchised businesses and systems in which we (or our affiliates) have an interest, and/or with our affiliates; **(c)** to test market various items in some or all parts of the System; **(d)** to introduce new Proprietary Items, products that are not Proprietary Items, and operational equipment; and/or **(e)** to allocate resources and new developments between and among systems, and/or our affiliates, as we see fit. You understand and agree that all of our obligations under this Agreement are subject to this Section, and that nothing in this Section will in any way affect your obligations under this Agreement.

3.12 *Confirmation of Performance*. After we have performed our pre-opening obligations to you under this Agreement, we may ask that you execute and deliver to us a confirmation (the "**Confirmation of Performance**"), in a form we reasonably request, confirming that we have performed those obligations. If we ask you to provide us with such a certificate, you agree to execute and deliver the Confirmation of Performance to us within one (1) week after our request. However, if you do not reasonably believe that we have performed all of our pre-opening obligations, you must, within that same one (1) week period, provide us with written notice specifically describing the obligations that we have not performed. Not later than one (1) week after we complete all the obligations specified in that notice that we agree were unperformed, you agree to execute and deliver the Confirmation of Performance to us. You agree to do so even if we performed such obligations after the time performance was due under this Agreement. The term "pre-opening obligations" means the obligations we have to you under this Agreement that must be performed before your open your Facility.

4 FEES; SALES REPORTING

4.1 *Initial Fees*. When you sign this Agreement, you agree to pay us an initial franchise fee of Sixty-Five Thousand Dollars ($65,000) (the "**Initial Franchise Fee**"). The Initial Franchise Fee is not refundable, and is payable in consideration of the services that we provide to you in connection with helping you to establish your new Facility.

4.2 *Royalty Fees and Sales Reports*.

4.2.1 For each Period during the term of this Agreement, you agree to: **(a)** pay us a continuing royalty fee equal to seven percent (7%) of the Gross Sales of the Franchised Business ("**Royalty Fees**" or "**Royalties**"); and **(b)** report to us your Gross Sales, in the form and manner that we specify (a "**Sales Report**"), by the Due Date (defined in Section 4.3 below). If, due to applicable law, you are not permitted to remit a Royalty Fee on the sale of alcoholic beverages, then you agree to instead pay us Royalty Fees on all Gross Sales (except alcoholic beverage sales) in the same total dollar amount as would have been paid if alcoholic beverage sales were included.

4.2.2 All sales must be recorded on the Customer App or any other technology platform that we designate for that purpose, including sales made to or initiated by persons who purchase Services and/or Products by means other than through the Customer App.

4.2.3 As used in this Agreement:

4.2.3.1 The term "**Gross Sales**" means all revenue from the sale of all Services and Products and all other income of every kind and nature related to, derived from, or originating from the Franchised Business (whether or not permitted under this Agreement), including barter and service fees paid to you, and the proceeds of any business interruption insurance policies, whether for cash or credit, and regardless of theft, or of collection in the case of credit, but excluding: **(a)** sales taxes and other taxes that you collect from your customers and actually pay to the appropriate taxing authorities; and **(b)** refunds, discounts, and accommodations reasonably provided to your customers.

4.2.3.2 The term "**Period**" means the interval that we have the right to designate, which may be a calendar week, bi-weekly period, calendar month, or other period (for example, a four week period). We have the right to designate the start for measurement of that interval as well as the end of that interval. (For example, a "week" may be deemed to start on Monday at one second before 12:00:01 am and ending the following Sunday at one second after 11:59:59 pm (all local time at your Facility); however, we have the right to reasonably change that formulation.)

4.3 *Due Date*. You must pay us your Royalty Fee payment (and all payments required under Section 13 below) by ACH (as specified below), by the Due Date (defined below), and based on your Gross Sales during the previous Period. In addition, you agree to all of the following:

4.3.1 You agree to deliver to us all of the reports, statements, and/or other information that is required under Section 12 below, at the time and in the format that we reasonably request. You also agree to deliver the Sales Report to us by the Due Date based on the sales of the previous Period. We may provide these forms, and you agree to submit the completed information, in a digital format.

4.3.2 You agree to establish an arrangement for electronic funds transfer to us, or electronic deposit to us of any payments required under this Agreement. Among other things, to implement this point, you agree to sign and return to us our current form of "ACH - Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Exhibit D (and any replacements for that form that we deem to be periodically needed to implement this Section 4.3.2), and you agree to: **(a)** comply with the payment and reporting procedures that we may specify in the Brand Standards Manual or otherwise in writing; and **(b)** maintain an adequate balance in your bank account at all times to pay by electronic means the charges that you owe under this Agreement. If we elect to use ACH withdrawal to sweep payment of fees, then you will not be required to submit a separate payment to us unless you do not maintain sufficient funds to pay the full amount due. Accordingly: **(i)** you agree to maintain a proper and sufficient balance in the account from which your ACH deductions are made to pay all the fees that are due under this Agreement; and **(ii)** if you do not do so, then you agree to pay us upon demand the amounts due and reimburse us for the bank fees (if any) that we incur as well as a reasonable additional

administrative fee that we will have the right to impose. You also agree that we may initiate an ACH withdrawal earlier than the Due Date so that the funds are actually transferred by the bank into our account on the Due Date.

4.3.3 You agree that your obligations to make full and timely payment of Royalty Fees and Marketing Contributions (and all other sums due to us) are absolute, unconditional, fully-earned (by us), and due as soon as you are first open to the public.

4.3.4 You agree not to, for any reason, delay or withhold the payment of any amount due to us under this Agreement; put into escrow any payment due to us; set-off payments due to us against any claims or alleged claims that you may allege against us, the Marketing Fund, the Regional Fund, our affiliates, suppliers, or others.

4.3.5 You agree that if you do not provide us, as requested, with access to your Technology System to obtain sales information or, if we require pursuant to Section 12.1.4 below or otherwise, printed and signed sales reports, then we will have the right to impute your sales for any period using (among other things) your sales figures from any Period(s) that we choose (which may be those with your highest grossing sales), and that you agree to pay the Royalties on that amount by our deduction of that amount from your direct debit account.

4.3.6 We will have the right to designate the Due Date depending on the Period that we designate. For example, if the Period is a calendar month, week, then the "**Due Date**" would be 5:00 pm (local time at our offices) on the fifth (5th) day of each Period; if the Period is a week, then the "**Due Date**" would be 5:00 pm (local time at our offices) on Wednesday of each Period; however, we have the right to reasonably change the Due Date by giving you prior written notice of that change. (If the Due Date falls on a weekend or bank holiday, then the Due Date shall be the next business day.)

4.4 *No Subordination*. You agree: **(a)** not to subordinate to any other obligation your obligation to pay us the Royalty Fee and/or any other amount payable to us, whether under this Agreement or otherwise; and **(b)** that any such subordination commitment that you may give without our prior written consent will be null and void.

4.5 *Late Payment*. If we do not receive any payment due under this Agreement (and if the appropriate marketing fund does not receive payment due) on or before the due date, then that amount will be deemed overdue. If any payment is late, then you agree to pay us, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month (but if there is a legal maximum interest rate that applies to you, then not more than that maximum rate). Any report that we do not receive on or before the due date will also be deemed overdue. Our entitlement to such interest will be in addition to any other remedies we may have.

4.6 *Other Funds Due*. You agree to pay us, within ten (10) days of our written request (which is accompanied by reasonable substantiating material), any amounts that we have paid, that we have become obligated to pay, and/or that we choose to pay on your behalf.

4.7 *Index*. We have the right to adjust, for inflation, the fixed-dollar amounts (that is, those expressed in a numeral and not as a percentage of Gross Sales) under this Agreement (except for the Initial Franchise Fee) once a year to reflect changes in the Index from the year in which you signed this Agreement. For the purpose of this Section 4.7, the term "**Index**" means the Consumer Price Index as published by the U.S. Bureau of Labor Statistics ("**BLS**")

(1982-84=100; all items; CPI-U; all urban consumers). If the BLS no longer publishes the Index, then we will have the right to designate a reasonable alternative measure of inflation.

4.8 *Funds*. You agree to make all payments to us in U.S. Dollars to the bank account that we may periodically designate in writing. All amounts in this Agreement are expressed in U.S. Dollars.

5 FRANCHISED BUSINESS LOCATION, CONSTRUCTION AND RENOVATION

5.1 *Opening Deadline.* You are responsible for purchasing, leasing, or subleasing a suitable site for the Franchised Business. You agree to establish the Franchised Business and have it open and in operation by the Scheduled Opening Date. **Time is of the essence.**

5.1.1 The "**Scheduled Opening Date**" is agreed to be the earlier of: one (1) year after the Effective Date of this Agreement; or six (6) months after we approve your franchised location.

5.1.2 You agree to open the Facility by the Scheduled Opening Date. We may agree to reasonable extensions of the Opening Date, as long as the delay in opening is not a result of any act or omission by you. If you do not open by the Scheduled Opening Date, we may terminate your Franchise Agreement.

5.2 *Site for the Facility*. As provided in Section 1.2 above, if you do not have (and we have not accepted in writing) a location for the Facility as of the Effective Date, then you must find and obtain the right to occupy (by lease, sublease, or acquisition of the property) premises that we find acceptable to serve as your Facility, all in accordance with the Site Selection Addendum.

5.3 *Our Review and Your Responsibilities*. Any reviews that we conduct of the proposed site, lease, and other details concerning your site are for our benefit only, and to evaluate the proposed site against our internal standards. In addition:

5.3.1 You agree that our review, comments about, and even our approval of a proposed site, lease, sublease, design plans, and/or renovation plans for the Facility is not (and shall not be deemed) our recommendation, endorsement, and/or guarantee of the suitability of that location or the terms of the lease, sublease, and/or purchase agreement.

5.3.2 You agree to take all steps necessary to determine for yourself whether a particular location and the terms of any lease, sublease, and/or purchase agreement for the site are beneficial and acceptable to you (including retaining your own legal counsel to review the lease). You will have complete and total decision-making authority over the terms of any lease, sublease, and/or purchase agreement for the site. Although we are not obligated to do so, if we provide any comments, advice, guidance, edits, or any other assistance in any lease, sublease, and/or purchase negotiations, discussions with the landlords, or property owners, and/or otherwise in connection with reviewing the lease, sublease and/or purchase agreement, you agree that: **(a)** you must decide whether or not the proposed contract is sensible for your business, **(b)** the final decision as to whether or not to sign the lease, sublease, and/or purchase agreement is yours, and **(c)** we will not be responsible for the terms and conditions of your lease, sublease, and/or purchase agreement.

5.3.3 You agree that: **(a)** any standard layout and equipment plans that we provide to you, as well as any review and comments that we provide to the plans that you develop for your Facility, are not meant to address the requirements of any Operating Codes (as

defined in Section 8.7 below); **(b)** our standard plans or comments to your modified plans, will not reflect the requirements of, nor may they be used for, construction drawings or other documentation that you will need in order to obtain permits or authorization to build a specific Facility; **(c)** you will be solely responsible to comply with all local laws, requirements, architectural needs, and similar design and construction obligations associated with the site, at your expense; and **(d)** our review, comment, and approval of your plans will be limited to reviewing those plans to assess compliance with our standards (including issues such as trade dress, presentation of Proprietary Marks, and the provision to the potential customer of certain products and services that are central to the purpose, atmosphere, and functioning of Facilities).

5.3.4 You agree that our recommendation or acceptance of the Accepted Site indicates only that we believe that the Accepted Site falls within the acceptable criteria for sites and premises that we have established as of the time of our recommendation or acceptance of the Accepted Site.

5.3.5 We will not review (nor may our approval be deemed to address) whether you have complied with any of the Operating Codes, including provisions of the Americans with Disabilities Act (the "**ADA**"); and you agree that compliance with such laws is and will be your sole responsibility.

5.3.6 You acknowledge that we will have no liability to you or any regulatory authority if you fail to obtain and/or maintain any necessary licenses or approvals required for the operation of the Franchised Business.

5.4 *Lease Review.* You agree to provide us with a copy of the proposed lease, sublease, or purchase agreement for the Accepted Location, and you agree not to enter into that lease, sublease, or purchase agreement until you have received our written approval (subject to Section 5.3.2 above). We have the right to condition our approval of the lease, sublease, or purchase agreement (subject to Section 5.3.2 above) upon the inclusion of terms that we find acceptable and that are consistent with our rights and your responsibilities under this Agreement, including, that you and the landlord execute a lease rider in the form attached to this Agreement as Exhibit H. You also agree:

5.4.1 to use the form of LOI (letter of intent) that we require or approve;

5.4.2 within fifteen (15) days after we have consented to the site for the Franchised Business, you shall submit to us a copy of the proposed lease therefor, together with a lease review fee of Five Hundred Dollars ($500.00), for our review thereof prior to its execution. Any lease must include a signed lease rider, a copy of which is attached hereto as Exhibit H and other brand protection provisions as may be required by us. Our lease review and consent is limited to provisions for the benefit of the System and us only. We do not review and/or negotiate the proposed lease on your behalf or for your benefit. Within fifteen (15) days after our lease review and consent (or such longer period as we consent to in writing), you shall execute the lease and obtain physical possession of the premises. Failure by you to acquire the site for the Franchised Business within the time and in the manner required herein shall constitute a material event of default under this Agreement;

5.4.3 that our recommendation or acceptance of the proposed lease, sublease, or purchase agreement for the Accepted Location indicates only that we believe that the lease, sublease, or purchase agreement falls within the acceptable criteria for sites and

premises that we have established as of the time of our recommendation or acceptance of the lease, sublease, or purchase agreement for the Accepted Location;

5.4.4 that our acceptance of the proposed site as well as your proposed lease, sublease, or purchase agreement for the Accepted Site does not constitute any guarantee or warranty, express or implied, of the successful operation or profitability of your Facility operated at the Accepted Site (and that our acceptance indicates only that we believe that the Accepted Site and the terms of the lease, sublease, or purchase agreement fall within our own internal criteria); and

5.4.5 that we have advised that you have your own attorney review and evaluate the lease, sublease, or purchase agreement.

5.5 *Preparing the Site.* You agree that promptly after obtaining possession of the Accepted Location, you will do all of the following:

5.5.1 obtain all required zoning permits, all required building, utility, health, sign permits and licenses, and any other required permits and licenses;

5.5.2 purchase or lease equipment, fixtures, furniture, and signs as required under this Agreement (including the specifications we have provided in writing, whether in the Brand Standards Manual or otherwise);

5.5.3 complete the construction and/or remodeling as described in Section 8.8 below, and installation of all equipment, fixtures, furniture, and signs and decorating of the Franchised Business in full and strict compliance with plans and specifications for the Franchised Business that we have approved in writing, as well as all applicable ordinances, building codes and permit requirements;

5.5.4 obtain all customary contractors' partial and final waivers of lien for construction, remodeling, decorating and installation services; and

5.5.5 purchase an opening inventory of Products and other materials and supplies.

5.6 *Construction or Renovation*. In connection with any construction or renovation of the Franchised Business (and before you start any such construction or renovation) you agree to comply, at your expense, with all of the following requirements, which you agree to satisfy to our reasonable satisfaction:

5.6.1 You agree to employ a qualified, licensed architect or engineer who is reasonably acceptable to us to prepare, for our approval, preliminary architectural drawings and equipment layout and specifications for site improvement and construction of the Franchised Business based upon standard layout, design and image specifications we will furnish in the Brand Standards Manual. The materials that you submit to us must include a description of any modifications to our specifications (including requirements for dimensions, interior and exterior design and layout, equipment, fixtures, furnishings, signs, and decorating materials) required for the development of a Franchised Business. Our approval will be limited to conformance with our standard image specifications and layout, and will not relate to your obligations with respect to any applicable Operating Codes, including the ADA. After we have responded to your preliminary plans and you have obtained any permits and certifications, you agree to submit to us, for our prior written approval, final architectural drawings, plans and

specifications. We have the right to request changes and provide or withhold our approval, but we will not supervise or otherwise oversee your project. We will not unreasonably withhold our approval of your adapted plans, provided that such plans and specifications conform to our general criteria. Once we have approved those final plans, you cannot change or modify the plans later without our prior written consent.

5.6.2 You agree to comply with all Operating Codes, including the applicable provisions of the ADA regarding the construction and design of the Franchised Business. Additionally, before opening the Franchised Business, and after any renovation, you agree to execute and deliver to us an ADA Certification in the form attached to this Agreement as Exhibit E, to certify that the Franchised Business and any proposed renovations comply with the ADA.

5.6.3 You agree that will be solely responsible for obtaining (and maintaining) all permits and certifications (including, zoning permits, licenses*, construction, building, utility, health, and sign permits) that may be required by state or local laws, ordinances, or regulations (or that may be necessary or advisable due to any restrictive covenants relating to your location) for the lawful construction and operation of the Franchised Business. You must certify in writing to us that all such permits and certifications have been obtained. (* - This includes licenses to offer and sell beer and wine.)

5.6.4 You agree to employ a qualified licensed general contractor who is reasonably acceptable to us to construct the Franchised Business and to complete all improvements.

5.6.5 You agree to obtain (and maintain) during the entire period of construction the insurance required under Section 15 below; and you agree to deliver to us the proof of such insurance that we may reasonably require.

5.7 *Pre-Opening*. Before opening for business, you agree to meet all of the pre-opening requirements specified in this Agreement, the Brand Standards Manual, and/or that we may otherwise specify in writing.

5.8 *Reporting Development Costs*. Within ninety (90) days after the Franchised Business first opens for business, you agree to give us a full written breakdown of all costs associated with the development and construction of the Franchised Business, in the form that we may reasonably find acceptable or that we may otherwise require.

5.9 *Relocation*. Any proposed relocation of your Franchised Business will be subject to our review and our consent to your proposed new site under our then-current standards for site selection. We will have the right to consider a range of factors in determining whether to accept your proposed relocation, including commitments that we have made to other franchisees, licensees, property owners, real estate developers, and other parties relating to the proximity of a new Facility to their establishment. If you wish to relocate, then you must pay us a relocation fee equal to twenty five percent (25%) of our then-current initial franchise fee (of which one-half (1/2) will be due to us when you submit your relocation plan, and the remaining half (1/2) will be due if and when we accept the new site). You also agree to reimburse us (in advance) for the costs and expenses that we reasonably expect to incur (including, if we deem necessary to visit the proposed new location, the costs of travel, lodging and meals for our representatives to visit the proposed location), and our legal fees and related expenses incurred in connection with reviewing, approving, and documenting your relocation of the Franchised Business to a new site (the "**Relocation Expenses**"). The parties agree to

reconcile the Relocation Expenses within thirty (30) days after you have reopened your Facility at the new location, based on a statement of our actual Relocation Expenses, at which time: **(a)** we will refund to you the unused balance of the funds that you have advanced as compared to our actual Relocation Expenses; or **(b)** you will pay us the additional amount necessary to fully reimburse us for our actual Relocation Expenses.

6 OPERATING OWNER, PERSONNEL, AND TRAINING

6.1 *Operating Principal and Management*.

6.1.1 One of the parties that owns an interest in you must serve as your "**Operating Principal**."

6.1.2 Your Operating Principal must supervise the operation of the Franchised Business and must own at least ten percent (10%) of all the voting and ownership interests in the franchisee entity, unless you obtain our prior written approval for the Operating Principal to hold a smaller interest. The Operating Principal (and any replacement for that individual) must have qualifications reasonably acceptable to us to serve in this capacity, complete our training program as described below, must have authority over all business decisions related to the Franchised Business, must have the power to bind you in all dealings with us, and must have signed and delivered to us the Guarantee, Indemnification, and Acknowledgement attached to this Agreement as Exhibit B.

6.1.3 You must inform us in writing whether the Operating Principal will assume full-time responsibility for the daily supervision and operation of the Franchised Business. If not, then you must employ a full-time general manager (a "**General Manager**") with qualifications reasonably acceptable to us, who will assume responsibility for the daily operation of the Franchised Business.

6.1.4 The Franchised Business must at all times be under the active full-time management of either Operating Principal or General Manager (who must have successfully completed our initial training program to our satisfaction).

6.1.5 The term "**Additional Trained Personnel**" means Facility personnel, in addition to the Operating Principal and General Manager, who have successfully completed our initial and ongoing training requirements and possess the qualifications necessary to the management and/or service roles that each such person will perform in operating the Franchised Business.

6.2 *Initial Management Training*.

6.2.1 Owners Training. If the General Manager will be the hands-on operator of the Facility, then the General Manager must also attend and successfully complete, to our satisfaction, our training program. The Operating Principal must also attend and successfully complete, to our satisfaction, the owner's training program, regardless of whether she/he will be a hands-on operator.

6.2.2 Brand Management Training.

6.2.2.1 The Operating Principal and General Manager must also attend and successfully complete, to our satisfaction, the brand management training program that we offer at our headquarters or another location that we specify.

(Once your General Manager has successfully completed our brand management training program, the she or he will train your subsequently hired assistant managers, at your Facility, unless we have notified that your General Manager is no longer permitted do so.)

6.2.2.2 You may send up to two (2) individuals to the initial training program to our designated training facilities (which may be in the New Jersey or Broward (Fla.) metropolitan areas, or elsewhere). If you wish to send additional individuals to be trained to the initial training program, then for each Additional Trained Personnel to be trained, you must pay us a discounted training fee of Two Thousand Dollars ($2,000). We must approve all Additional Trained Personnel attending the initial training program. All individuals in attendance must have active roles in running the Facility.

6.3 *Additional Obligations and Terms Regarding Training*.

6.3.1 If for any reason your Operating Principal and/or General Manager cease active management or employment at the Franchised Business, or if we revoke the certification of your Operating Principal or your General Manager to serve in that capacity, then you agree to enroll a qualified replacement (who must be reasonably acceptable to us to serve in that capacity) in our initial training program within thirty (30) days after the former individual ended his/her full time employment and/or management responsibilities. The replacement must attend and successfully complete the basic management training program, to our reasonable satisfaction as soon as it is practical to do so. You agree to pay us a discounted training fee of Two Thousand Dollars ($2,000) for each replacement individual to be trained, with payment to be made in full before training starts.

6.3.2 We may require that you and your Operating Principal, General Manager and Additional Trained Personnel attend such refresher courses, new product launches, seminars, and other training programs as we may reasonably require periodically.

6.3.3 We may require you to enroll each of your employees in web-based training programs relating to the Services and Products that will be offered to customers of the Facility.

6.3.4 All of your trainees must sign, and you must deliver to us a copy of their personal covenant of confidentiality, in substantially the form of Exhibit F to this Agreement.

6.3.5 Training Costs and Expenses

6.3.5.1 In the event you require additional on-site training, beyond the initial training that we provide you agree to bear the cost of instruction at our then-current rate (presently, Five Hundred Dollars ($500) per day per trainer), plus expenses.

6.3.5.2 You agree to bear all expenses incurred in connection with training, including the costs of transportation, lodging, meals, wages, benefits, and worker's compensation insurance for you and your employees. Training may take place at one or more locations that we designate, including the New Jersey or Broward (Fla.) metropolitan areas, or elsewhere.

6.3.5.3 You also agree to cover all of your employees at all times (including the pre-opening period, and including those attending training) under the insurance policies required in Section 15 below.

6.3.5.4 We have the right to reduce the duration or content of the training program for any trainee who has prior experience with our System or in similar businesses.

6.4 *Additional On-Site Training*. If you ask us to provide on-site training (in addition to that which we will provide to you in connection with the initial training program and/or the opening of the Franchised Business), and if we are able to do so, then you agree to pay us our then-current per diem training charges as well as reimburse us for our out-of-pocket expenses. Additionally, if you do not pass one or more mystery shopper visits and/or inspections, then we have the right to determine that you are not operating your Facility in accordance with our brand standards, and we may place you in default of this Agreement and/or require you and/or your employees to complete additional training at the Franchised Business or a location that we designate, at your expense, which will include our then-current per diem training charges and our out-of-pocket expenses for any training conducted at your Franchised Business.

6.5 *Conventions and Meetings*. You agree to attend the conventions and meetings that we may periodically require and to pay a reasonable fee (if we charge a fee) for each person who is required to attend (and, if applicable, additional attendees that you choose to send as well). You will also be responsible for all of the other costs of attendance, including travel, room and board, and your employees' wages, benefits, and other expenses.

6.6 You agree to engage the services of a competent full-service human relations (HR) professional to obtain training and ongoing guidance on HR and personnel matters (which may include your own HR lawyer and/or a third party service provider (including as a payroll processing company such ADP or Paychex, and/or a professional employer organization (PEO), subject to our right to approve such service providers under Section 7 below).

7 PURCHASING AND SUPPLY

The requirements of this Section 7 apply to Proprietary Items (Section 7.2), Input Items that you must purchase or otherwise source from approved suppliers (Section 7.1), and Input Items that you must otherwise purchase or source in accordance with our standards and specifications (Section 7.3).

7.1 *Input Items*. You agree to buy all equipment, furniture, supplies, paper products, t-shirts, and other apparel), materials (such as packaging), and all other products and services used (or offered for sale) at the Facility (together, "**Input Items**") only from suppliers as to whom we have given our prior written approval (and whom we have not subsequently disapproved). (The term Input Items also includes any pre-packaged Products that you buy from approved suppliers.) In this regard, the parties further agree:

7.1.1 In determining whether we will approve any particular supplier for an Input Item, we will consider various factors, including: **(a)** whether the supplier can demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; **(b)** whether the supplier has adequate quality controls and capacity to supply your needs promptly and reliably; **(c)** whether approval of the supplier would enable the System, in our sole opinion, to take advantage of marketplace efficiencies; and/or **(d)** whether the supplier will sign a confidentiality

agreement and a license agreement in the form that we may require (which may include a royalty fee for the right to use our Proprietary Marks and any other proprietary rights, ***recipe***s, and/or formulae).

7.1.2 For the purpose of this Agreement, the term "**supplier**" includes, but is not limited to, manufacturers, distributors, resellers, and other vendors. You agree that we have the right to appoint only one supplier for any particular product, or item (which may be us or one of our affiliates), including beer, wine, and alcohol (to the extent permitted under applicable law).

7.1.3 You agree to offer and sell only Services and Products at the Franchised Business. You may not offer or sell anything at the Franchised Business that is not a Retail Product or a Service.

7.1.4 If you want to buy any Input Item from an unapproved supplier (except for Proprietary Items, which are addressed in Section 7.2 below), then you must first submit to us a written request asking for our prior written approval. You agree not to buy from any such supplier unless and until we have given you our prior written consent to do so. We have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to us or to an independent laboratory that we have designated for testing. You (or the supplier) may be required to pay a charge, not to exceed the reasonable cost of the inspection, as well as the actual cost of the test. We have the right to also require that the supplier comply with such other requirements that we have the right to designate, including payment of reasonable continuing inspection fees and administrative costs and/or other payment to us by the supplier on account of their dealings with you or other franchisees, for use of our trademarks, and for services that we may render to such suppliers. We also reserve the right (without the obligation to periodically re-inspect the facilities and products of any such approved supplier and to revoke our approval if the supplier does not continue to meet any of our then-current criteria. We are not required to approve any particular supplier, nor to make available our standards, specifications, or formulas to prospective suppliers, which we have the right to deem confidential.

7.1.5 You agree we have the right to establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally known suppliers that are willing to supply all or some Facilities with some or all of the products and/or services that we require for use and/or sale in the development and/or operation of Facilities, notwithstanding anything to the contrary contained in this Agreement. In this event, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all Input Items, and/or refuse any of your requests if we believe that this action is in the best interests of the System or the network of Facilities. We have the right to approve or disapprove of the suppliers who may be permitted to sell Input Items to you. Any of our affiliates that sell Input Items to you will do so at our direction. If you are in default of this Agreement, we reserve the right not to sell Input Items to you and/or to direct our affiliates not to sell Input Items to you, and/or to withhold certain discounts that might otherwise be available to you.

7.1.6 You agree that we have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments, or benefits (collectively, "**Allowances**") offered by suppliers to you or to us (or our affiliates) based upon your purchases of Input Items. These Allowances include those based on purchases of

products, apparel, equipment, and other items. You assign to us or our designee all of your right, title, and interest in and to any and all such Allowances and authorize us (or our designee) to collect and retain any or all such Allowances without restriction.

7.1.7 If we require you to offer and sell items that bear our Proprietary Marks, or to use items that bear our Proprietary Marks, then you must buy, use, and sell only the items that we require, and you must buy those items only from our approved suppliers.

7.1.8 You may obtain from suppliers only those items that we have specified.

7.2 *Proprietary Items*. You agree that: **(a)** we have the right to require that certain Products that you use and/or offer at the Franchised Business must be produced in accordance with our proprietary standards and specifications (and/or those of our affiliates), and that such items are our proprietary products ("**Proprietary Items**"); **(b)** we have the right to require that you purchase and offer Proprietary Items (as well as any item bearing the Proprietary Marks) only from us, our affiliates, and/or our designated suppliers, and not to offer or sell any other such products at or from the Franchised Business; and **(c)** we have the right to determine whether any particular item (now or in the future) is or will be deemed a "Proprietary Item."

7.3 *Specifications.* In addition to the provisions of Sections 7.1 and 7.2 above, as to those Input Items that we do not require you to buy or otherwise source from approved suppliers and that are not proprietary items (as specified in Section 7.2 above), you agree to purchase or otherwise source those Input Items only in accordance with the standards and specifications that we specify in the Brand Standards Manual or otherwise in writing (for example, USDA Grade A eggs).

7.4 *Use of the Marks*. You agree to use all Logo Items that we require and not to use any items that are a substitute for a Logo Item without our prior written consent. The term "**Logo Items**" is agreed to mean all marketing materials, signs, decorations, paper goods (including and all forms and stationery used in the Franchised Business). You agree that all Logo Items that you use will bear the Proprietary Marks in the form, color, location, and manner we prescribe (and that all such Logo Items will be subject to our prior written approval as provided in Section 13.9 below).

7.5 *Suppliers*. You acknowledge and agree that in connection with purchasing, leasing, licensing, or otherwise obtaining any service or item from a third-party supplier (including those that we have approved, required, or otherwise): **(a)** we have no responsibility (and you expressly disclaim any recovery against us) for those suppliers' services, items, contract terms, or otherwise in connection with those suppliers' performance; **(b)** if there are any shortcomings in the services, items, or terms of purchase, lease, or license from those suppliers, that you will seek recovery and/or compensation only from the supplier that sold, leased, licensed, or otherwise provided that service and/or item to you (and not from us or our affiliates).

7.6 *Manufacturing*. You agree not to produce or otherwise manufacture any items in your Facility (except for products that we have otherwise authorized and approved for production in the Brand Standards Manual or otherwise in writing).

8 YOUR DUTIES

In addition to all of the other duties specified in this Agreement, for the sake of brand enhancement and protection, you agree to all of the following:

8.1 *Importance of Following Standards*. You understand and acknowledge that every detail of the Franchised Business is important to you, to us, and to other franchisees that operate under our Proprietary Marks in order to develop and maintain our brand and operating standards, to provide customer service to customers and participants, to increase the demand for the Services and Products sold, by all franchisees, and to protect and enhance the reputation and goodwill associated with our brand.

8.2 *Opening*. In connection with the opening of the Franchised Business:

8.2.1 You agree to conduct, at your expense, such promotional and marketing activities as we may require.

8.2.2 You agree to open the Franchised Business by the date specified in Section 5.1 above. Subject to availability and scheduling, we will send a representative to attend the opening; and you agree not to open the Franchised Business without our representative present. If we cannot provide our representative on the date that you propose to first open the Franchised Business for business, then you must reschedule such opening to a date on which our representative can be in attendance; provided, that we will not unreasonably delay opening of the Franchised Business due to these considerations.

8.2.3 You agree not to open the Franchised Business until we have determined that all construction has been substantially completed, and that such construction conforms to our standards including to materials, quality of work, signage, decor, paint, and equipment, and we have given you our prior written approval to open, which we will not unreasonably withhold.

8.2.4 You agree not to open the Franchised Business until the Operating Principal, General Manager, and Additional Trained Personnel have successfully completed all training that we require, and not until you have hired and trained to our standards a sufficient number of employees to service the anticipated level of the Franchised Business's customers.

8.2.5 In addition, you agree not to open the Franchised Business until the Initial Franchise Fee and any other amounts due to us (and our affiliates) under this Agreement or any other agreements have been paid.

8.3 *Staffing*.

8.3.1 You agree to maintain a competent, conscientious staff in numbers sufficient to promptly service customers and to comply with staffing and service criteria, which may include without limitation specified positions that we may designate from time to time as necessary or appropriate for providing quality member experience according to our standards. We will provide our requirements for service/function positions that we may establish from time to time, and which will be set forth in our Brand Standards Manual.

8.3.2 For the sake of efficiency and to enhance and protect our brand you and your staff must, at all times, cooperate with us and with our representatives, and conduct the operation of the business in a first-class and professional manner in terms of dealing with customers, vendors, and our staff as well.

8.3.3 You agree that you will seek to develop, cultivate, and maintain a cooperative, cordial, and respectful work environment for your staff and among all of the owners of the Franchised Business.

8.3.4 You agree to develop and maintain an employee handbook and risk management policies for your staff, which you will be solely responsible for developing with HR advisors of your own choosing.

8.4 *Operate According to Our Standards.* To ensure that the highest degree of quality and service is maintained, you agree to operate your Franchised Business in strict conformity with the methods, brand standards, and specifications that we may periodically require in the Brand Standards Manual or otherwise in writing. In this regard, you agree to do all of the following:

8.4.1 You agree to maintain in sufficient supply, and to use at all times only the items, products, equipment, services, materials, and supplies that meet our written standards and specifications, and you also agree not to deviate from our standards and specifications by using or offering any non-conforming items without our specific prior written consent.

8.4.2 You agree: **(a)** to sell or offer for sale only those Services, items, and Products using the standards and techniques that we have approved in writing for you to offer and use at your Franchised Business; **(b)** to sell or offer for sale all Services, items, and Products using the standards and techniques that we specify in writing; **(c)** not to deviate from our standards and specifications; **(d)** to stop using and offering for use any Services or Products that we at any time disapprove in writing (recognizing that we have the right to do so at any time); and **(e)** that if you propose to deviate (or if you do deviate) from our standards and specifications, whether or not we have approved the deviation, that deviation will become our property.

8.4.3 You agree to permit us, or our agents, at any reasonable time, to inspect the Products, equipment and to remove samples of items or Products, without payment, in amounts reasonably necessary for testing by us or an independent third party to determine whether the Products, equipment, or samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if we had not previously approved the supplier of the item or if the sample fails to conform to our specifications.

8.4.4 You agree to buy and install, at your expense, all fixtures, furnishings, equipment, decor, and signs as we may specify, and to periodically make upgrades and other changes to such items at your expense as we may reasonably request in writing. Without limiting the above, you agree that changes in our System standard may require you to purchase new and/or additional equipment for use in the Franchised Business.

8.4.5 You agree not to install or permit to be installed on or about the premises of the Franchised Business, without our prior written consent, any fixtures, furnishings, equipment, machines, décor, signs, or other items that we have not previously in writing approved as meeting our standards and specifications.

8.4.6 You agree to immediately notify us in writing if you or any of your Principals are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein.

8.4.7 You agree to purchase or lease, and use, the music system and playlist that we require, and pay fees to the licensing organization associated with playing that music.

8.5 *Use of the Premises.* You may use the Accepted Location only for the purpose of operating the Franchised Business and for no other and for no other purpose. This includes your agreement not to: **(a)** co-brand or permit any other business to operate at the Accepted Location; **(b)** permit any other party to offer other products or services at or from your Accepted Location.

8.6 *Operations.* You agree to keep the Franchised Business open and in normal operation for the hours and days that we may periodically specify in the Brand Standards Manual or as we may otherwise approve in writing. You also agree to maintain sufficient inventories, adequately staff each shift with qualified employees and managerial staff, and to at all times continuously operate the Franchised Business at its maximum capacity and efficiency.

8.7 *Health Standards and Operating Codes*. You agree to meet and maintain the highest health standards and ratings applicable to the operation of the Franchised Business. You agree to fully and faithfully comply with all Operating Codes applicable to your Franchised Business. You will have the sole responsibility to fully and faithfully comply with any Operating Codes, and we will not review whether you are in compliance with any Operating Codes. As used in this Agreement, "**Operating Codes**" means all applicable laws, codes, ordinances, and/or regulations (whether federal, state, municipal, and/or local) that apply to the Services, Products, construction, and design of the Facility, and/or other aspects of operating the Franchised Business (including the ADA, laws pertaining to employment, etc.).

8.7.1 You agree to send us, within two (2) days of your receipt, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any federal, state, or municipal agency with jurisdiction over the Franchised Business.

8.7.2 You must also obtain and maintain during the term of this Agreement all licenses and approvals from any governmental or regulatory agency required for the operation of the Franchised Business (including licenses to offer and sell beer, wine, and/or distilled spirits) or provision of the Services you will offer, sell, and provide. Where required, you must obtain the approval of any regulatory authority with jurisdiction over the operation of your Franchised Business.

8.7.3 You acknowledge that we will have no liability to you or any regulatory authority for any failure by you to obtain or maintain during the term of this Agreement any necessary licenses or approvals required for the operation of the Franchised Business.

8.8 *Your Franchised Business:*

8.8.1 *Franchised Business Condition, Maintenance.* You agree that at all times, you will maintain the Franchised Business in a high degree of sanitation, repair, and condition. In addition, you agree to make such repairs and replacements to the Facility as may be required for that purpose (but no others without our prior written consent), including the periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor that we may reasonably require. You also agree to obtain maintenance services from qualified vendors for any equipment as we may specify and maintain those service agreements at all times. Your maintenance and upkeep obligations under this Section 8.8,1 are separate from those with respect to periodic upgrades that we may

require regarding fixtures, furnishings, equipment, decor, and signs, and Sections 8.8.2 and 8.8.3 below.

8.8.2 You also agree to complete a minor refurbishment as we may reasonably require, which will not be more than once every three (3) years.

8.8.3 Major Remodeling. In addition to the requirements of Sections 8.8.1 and 8.8.2 above, you agree to refurbish the Franchised Business at your expense to conform to our then-current building design, exterior facade, trade dress, signage, furnishings, decor, color schemes, and presentation of the Proprietary Marks in a manner consistent with the then-current image for new Facilities, including remodeling, redecoration, and modifications to existing improvements, all of which we may require in writing (collectively, "**Major Remodeling**"). In this regard, the parties agree that:

8.8.3.1 You will not have to conduct a Major Remodeling more than once every seven (7) years during the term of this Agreement (and not in an economically unreasonable amount); provided, however, that we may require Major Remodeling more often if a Major Remodeling is required as a pre-condition to renewal (as described in Section 2.2.2 above); and

8.8.3.2 You will have one (1) year after you receive our written notice within which to complete a Major Remodeling (but, in the case of a renewal, the Major Remodeling must be completed before you may renew).

8.8.4 You agree to maintain and upgrade your Technology Systems and all other technology assets in compliance with Section 14.1.1 below.

8.9 *Use of the Marks*. You agree to follow all of our instructions and requirements regarding any marketing and promotional materials, signs, decorations, merchandise, any and all replacement trade dress products, and other items that we may designate to bear our then-current Proprietary Marks and logos (including our requirements as to the form, color, location, and manner for making use of those marks).

8.10 *Requirements Applicable to Entities:*

8.10.1 *Corporation*. If you are a corporation, then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** maintain stop transfer instructions on your records against the transfer of any equity securities and will only issue securities upon the face of which a legend, in a form satisfactory to us, appears which references the transfer restrictions imposed by this Agreement; **(c)** not issue any additional shares (whether voting securities or securities convertible into voting securities); and **(d)** maintain a current list of all owners of record and all beneficial owners of any class of voting stock of your company and furnish the list to us upon request.

8.10.2 *Partnership/LLP*. If you are a general partnership, a limited partnership, or a limited liability partnership (LLP), then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** furnish us with a copy of your partnership agreement as well as such other documents as we may reasonably request, and any amendments thereto; **(c)** prepare and furnish to us, upon request, a

current list of all of your general and limited partners; and **(d)** consistent with the transfer restrictions set out in this Agreement, maintain instructions against the transfer of any partnership interests without our prior written approval.

8.10.3 *LLC*. If you are a limited liability company (LLC), then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** furnish us with a copy of your articles of organization and operating agreement, as well as such other documents as we may reasonably request, and any amendments thereto; **(c)** prepare and furnish to us, upon request, a current list of all members and managers in your LLC; and **(d)** maintain stop transfer instructions on your records against the transfer of equity securities and will only issue securities upon the face of which bear a legend, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement.

8.10.4 *Trust*. If you are a trust, then you agree to: **(a)** confine your commercial activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** furnish us with a copy of your trust agreement as well as such other documents as we may reasonably request, and any amendments thereto; **(c)** prepare and furnish to us, upon request, a current list of all of your trustees and beneficiaries; and **(d)** consistent with the transfer restrictions set out in this Agreement, maintain instructions against the transfer of any trustee's rights and/or obligations, and against any beneficiary's interest, without our prior written approval.

8.10.5 *Guarantees*. If you (the Franchisee under this Agreement) are an entity, then you agree to obtain, and deliver to us, a guarantee of your performance under this Agreement and covenant concerning confidentiality and competition, in the form attached as Exhibit B, from each current and future direct and indirect: **(a)** shareholder of a corporate Franchisee; **(b)** member of a limited liability company Franchisee; **(c)** partner of a partnership Franchisee; and/or **(d)** partner of a limited liability partnership Franchisee.

8.11 *Quality-Control and Customer Survey Programs.* We may periodically designate an independent evaluation service to conduct a "mystery shopper," "customer survey," and/or similar quality-control and evaluation programs with respect to Facilities. You agree to participate in such programs as we require, and promptly pay the then-current charges of the evaluation service. If you receive an unsatisfactory or failing report in connection with any such program, then you agree to: **(a)** immediately implement any remedial actions we require; and **(b)** reimburse us for the expenses we incur as a result thereof (including the cost of having the evaluation service re-evaluate the Franchised Business, our inspections of the Franchised Business, and other costs or incidental expenses).

8.12 *Prices*.

8.12.1 We may periodically provide suggested retail pricing; however (subject to Section 8.12.2 below), you have the right to set your own prices.

8.12.2 You agree that we may set reasonable restrictions on the maximum and minimum prices you may charge for the Services and Products offered and sold at the Facility under this Agreement. You will have the right to set the prices that you will charge to your customers; provided, however, that (subject to applicable law): **(a)** if we have

established a maximum price for a particular item, then you may charge any price for that item up to and including the maximum price we have established; and **(b)** if we have established a minimum price for a particular item, then you may charge any price for that item that is equal to or above the minimum price we have established.

8.13 *Environmental Matters*. Both parties recognize and agree that there are changing standards in this area in terms of applicable law, competitors' actions, consumer expectations, obtaining a market advantage, available and affordable solutions, and other relevant considerations. In view of those and other considerations, as well as the long-term nature of this Agreement, you agree that we have the right to periodically set reasonable standards with respect to environmental, sustainability, and energy for the System through the Brand Standards Manual, and you agree to abide by those standards.

8.14 *Innovations.* You agree to disclose to us all ideas, concepts, methods, techniques, and products conceived or developed by you, your affiliates, owners and/or employees during the term of this Agreement relating to the development and/or operation of the Facility. All such products, services, concepts, methods, techniques, and new information will be deemed to be our sole and exclusive property and works made-for-hire for us. You hereby grant to us (and agree to obtain from your affiliates, owners, employees, and/or contractors), a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques, and products in any businesses that we and/or our affiliates, franchisees and designees operate. We will have the right to use those ideas, concepts, methods, techniques, and/or products without compensation to you. You agree not to use or allow any other person or entity to use any such concept, method, technique, or product without obtaining our prior written approval.

8.15 *Suspending Operation*. You agree to immediately suspend operating the Franchised Business and promptly notify us in writing if: **(a)** any equipment used, or products or services sold, at the Franchised Business deviate from our standards; **(b)** any equipment used, or products or services sold, at the Franchised Business fail to materially comply with applicable laws or regulations; and/or **(c)** you are in material default of your obligations under this Agreement. In the event of such a suspension of operations, you agree to immediately notify us, in writing, and also remedy the unsafe, or other condition or other violation of the applicable law or regulation. You agree not to reopen the Franchised Business until after we have inspected the Franchised Business premises (physically or otherwise), and we have determined that you have corrected the condition and that all equipment used, or products or services to be sold, at the Franchised Business comply with our standards. This Section 8.16 is in addition to the other provisions of this Agreement (including Section 8.17 below) and does not limit or restrict our other rights under this Agreement.

8.16 *Crisis Situation*. In addition to the other requirements of this Agreement:

8.16.1 If an event occurs at the Franchised Business that has or reasonably may cause harm or injury to customers, guests, and/or employees (for example, ***food*** spoilage/poisoning, ***food*** tampering/sabotage, slip and fall injuries, natural disasters, robberies, shootings, Data Breach, etc.) or may damage the Proprietary Marks, the System, and/or our reputation (collectively a "**Crisis Situation**"), then you agree to: **(a)** immediately contact appropriate emergency care providers to assist in curing the harm or injury; and **(b)** immediately inform us by telephone and in writing of the Crisis Situation. You must refrain from making any internal or external announcements (that is, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by us or public health officials).

8.16.2 We will have the right (but not the obligation) to control the manner in which the Crisis Situation is handled by the parties, including conducting all communication with the news media, providing care for injured persons, and/or temporarily closing the Franchised Business. You agree that, in directing the management of any Crisis Situation, we or our designee will have the right to engage the services of attorneys, experts, doctors, testing laboratories, public relations firms, and other professionals that we deem appropriate, and you agree to reimburse us for our costs if we exercise any of these rights. You and your employees must cooperate fully with us or our designee in our efforts and activities in this regard and will be bound by all further Crisis Situation procedures developed by us from to time hereafter. The indemnification under Section 21.4 will include all losses and expenses that may result from our exercise of the rights granted in this Section 8.17.

9 PROPRIETARY MARKS

9.1 *Our Representations*. We represent to you that we own (and/or have an appropriate license to) all right, title, and interest in and to the Proprietary Marks.

9.2 *Your Agreement*. With respect to your use of the Proprietary Marks, you agree that:

9.2.1 You will use only the Proprietary Marks that we have designated in writing, and you will use them only in the manner we have authorized and permitted in writing; and all items bearing the Proprietary Marks must bear the then-current logo.

9.2.2 You will use the Proprietary Marks only for the operation of the business franchised under this Agreement and only at the location authorized under this Agreement, or in franchisor-approved marketing for the business conducted at or from that location (subject to the other provisions of this Agreement).

9.2.3 Unless we otherwise direct you in writing to do so, you agree to operate and advertise the Franchised Business only under the name “PickleRage” (as we designate in writing) without prefix or suffix (except with our prior written approval).

9.2.4 During the term of this Agreement and any renewal of this Agreement, you agree to identify yourself (in a manner reasonably acceptable to us) as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business (visible to customers, visible only to your staff, and otherwise as we may designate in writing).

9.2.5 Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of our rights.

9.2.6 You agree not to use the Proprietary Marks to incur any obligation or indebtedness on our behalf.

9.2.7 You agree not to use the Proprietary Marks:

9.2.7.1 as part of your corporate or other legal name;

9.2.7.2 as part of any e-mail address, domain name, social networking site page, or other identification of you in any electronic medium (except as otherwise provided in Section 14.11); and/or

9.2.7.3 in any human relations (HR) document or materials, including job applications, employment agreements, pay checks, pay stubs, and the like.

9.2.8 You agree to: **(a)** comply with our instructions in filing and maintaining requisite trade name or fictitious name (for example, "dba") registrations; and **(b)** execute any documents that we (or our affiliates) deem necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability, including any additional license agreements we may require for use of the Proprietary Marks on the Internet or in other marketing.

9.2.9 With respect to litigation involving the Proprietary Marks, the parties agree that:

9.2.9.1 You agree to promptly notify us of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to our ownership of, or your right to use, the Proprietary Marks licensed under this Agreement. You agree to communicate only with us, our affiliates, our counsel, or your counsel regarding any such infringement or challenge. You acknowledge that we have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We will also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

9.2.9.2 Defense and Costs:

(a) *If You Used the Marks in Accordance with this Agreement*: If you have used the Proprietary Marks in accordance with this Agreement, then we will defend you at our expense against any third party claim, suit, or demand involving the Proprietary Marks arising out of your use thereof, and we agree to reimburse you for your out-of-pocket litigation costs in doing such acts and things (except that you will bear the salary costs of your employees, and we will bear the costs of any judgment or settlement). .

(b) *If You Used the Marks But Not in Accordance with this Agreement*: If you used the Proprietary Marks in any manner that was not in accordance with this Agreement (including our instructions), then we will still defend you, but at your expense, against such third party claims, suits, or demands (including all of the costs of defense as well as the cost of any judgment or settlement). You agree to reimburse us for the cost of such litigation (or, upon our written request, pay our legal fees directly), including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses, as well as the cost of any judgment or settlement.

9.2.9.3 If we undertake the defense or prosecution of any litigation or other similar proceeding relating to the Proprietary Marks, then you agree to sign any and

all documents, and do those acts and things that may, in our counsel's opinion, be necessary to carry out the defense or prosecution of that matter (including becoming a nominal party to any legal action).

9.3 *Your Acknowledgements*. You agree that:

9.3.1 We own all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them.

9.3.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System.

9.3.3 Neither you nor any of your owners, principals, or other persons acting on your behalf will directly or indirectly contest the validity or our ownership of the Proprietary Marks, nor will you, directly or indirectly, seek to register the Proprietary Marks with any government agency.

9.3.4 Your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.

9.3.5 Any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license granted as part of this Agreement, there will be no monetary amount assigned as attributable to any goodwill associated with your use of our System or of our Proprietary Marks.

9.3.6 The license that we have granted to you under this Agreement to use our Proprietary Marks is not exclusive, and therefore we have the right, among other things:

9.3.6.1 To use the Proprietary Marks ourselves in connection with selling Services and Products;

9.3.6.2 To grant other licenses for the Proprietary Marks, in addition to licenses we may have already granted to you and other licensees; and

9.3.6.3 To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises for those other marks without giving you any rights to those other marks.

9.4 *Change to Marks*. We reserve the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating as part of the System if our currently owned Proprietary Marks no longer can be used, or if we determine, exercising our right to do so, that substitution of different, updated, or changed Proprietary Marks will be beneficial to the System. In such circumstances, you agree to adopt the new Proprietary Marks and that your right to use the substituted proprietary marks shall be governed by (and pursuant to) the terms of this Agreement.

10 CONFIDENTIAL BRAND STANDARDS MANUAL

10.1 *You Agree to Abide by the Brand Standards Manual*. In order to protect our reputation and goodwill and to maintain our standards of operation under our Proprietary Marks, you agree to conduct your business in accordance with the written instructions that we provide, including

the Brand Standards Manual. We will lend to you (or permit you to have access to) one (1) copy of our Brand Standards Manual, only for the term of this Agreement, and only for your use in connection with operating the Franchised Business during the term of this Agreement.

10.2 *Format of the Brand Standards Manual*. We will have the right to provide the Brand Standards Manual in any one or more format that we determine is appropriate (including paper and/or by making some or all of the Brand Standards Manual available to you only in electronic form, such as through an internet website or portal), and we may change how we provide the Brand Standards Manual from time to time. If at any time we choose to provide some or all of the Brand Standards Manual electronically, you agree to immediately return to us any and all physical copies of the portions of the Brand Standards Manual that we have previously provided to you.

10.3 *We Own the Brand Standards Manual*. The Brand Standards Manual will at all times remain our sole property and you agree to promptly return the Brand Standards Manual (including any and all copies of some or all of the Brand Standards Manual) when this Agreement expires and/or is terminated.

10.4 *Confidentiality and Use of the Brand Standards Manual*.

10.4.1 The Brand Standards Manual contains our proprietary information and you agree to keep the Brand Standards Manual confidential both during the term of this Agreement and after this Agreement expires and/or is terminated. You agree that, at all times, you will ensure that your copy of the Brand Standards Manual will be available at the Franchised Business premises in a current and up-to-date manner. Whenever the Brand Standards Manual is not in use by authorized personnel, you agree to maintain secure access to the Brand Standards Manual at the premises of the Franchised Business, and you agree to grant only authorized personnel (as defined in the Brand Standards Manual) with access to the security protocols for the Brand Standards Manual.

10.4.2 You agree to never make any unauthorized use, disclosure, and/or duplication of the Brand Standards Manual in whole or in part.

10.5 *You Agree to Treat Brand Standards Manual as Confidential*. You agree that at all times, you will treat the Brand Standards Manual, any other manuals that we create (or approve) for use in the operation of the Franchised Business, and the information contained in those materials, as confidential, and you also agree to use your best efforts to maintain such information as secret and confidential. You agree that you will never copy, duplicate, record, or otherwise reproduce those materials, in whole or in part, nor will you otherwise make those materials available to any unauthorized person.

10.6 *Which Copy of the Brand Standards Manual Controls*. You agree to keep your copy of the Brand Standards Manual only at the Franchised Business (and as provided in Section 10.4 above) and also to insure that the Brand Standards Manual is kept current and up to date. You also agree that if there is any dispute as to the contents of the Brand Standards Manual, the terms of the master copy of the Brand Standards Manual that we maintain in our head office will be controlling. Access to any electronic version of the Brand Standards Manual will also be subject to our reasonable requirements with respect to security and other matters, as described in Section 14 below.

10.7 *Revisions to the Brand Standards Manual*. We have the right to revise the contents of the Brand Standards Manual whenever we deem it appropriate to do so, and you agree to make corresponding revisions to your copy of the Brand Standards Manual and to comply with each new or changed standard.

10.8 *Modifications to the System*. You recognize and agree that we may periodically change or modify the System and you agree to accept and use for the purpose of this Agreement any such change in the System (which may include, among other things, new or modified trade names, service marks, trademarks or copyrighted materials, new products, new equipment, or new techniques) as if they were part of this Agreement at the time when you and we signed this Agreement. You agree to make such expenditures and such changes or modifications as we may reasonably require pursuant to this Section and otherwise in this Agreement.

11 CONFIDENTIAL INFORMATION

11.1 *Confidentiality*.

11.1.1 You agree that you will not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use (for yourself and/or for the benefit of any other person, persons, partnership, entity, association, or corporation) any Confidential Information that may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement. You agree that you will divulge our Confidential Information only to those of your employees as must have access to it in order to operate the Franchised Business.

11.1.2 Any and all information, knowledge, know-how, and techniques that we designate as confidential will be deemed Confidential Information for purposes of this Agreement, except information that you can demonstrate came to your attention before disclosure of that information by us; or which, at or after the time of our disclosure to you, had become or later becomes a part of the public domain, through publication or communication by another party that has the right to publish or communicate that information.

11.1.3 Any employee who may have access to any Confidential Information regarding the Franchised Business must execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with you. Such covenants must be on a form that we provide, which form will, among other things, designate us as a third-party beneficiary of such covenants with the independent right to enforce them.

11.1.4 As used in this Agreement, the term "**Confidential Information**" includes, without limitation, our business concepts and plans, business model, financial model, equipment, printing and digital document management methods, operating techniques, marketing methods, processes, formulae, manufacturing and vendor information, results of operations and quality control information, financial information, sales, royalty rates, accounting chart, demographic and trade area information, prospective site locations, market penetration techniques, plans, or schedules, the Brand Standards Manual, customer profiles, preferences, or statistics, itemized costs, franchisee composition, territories, and development plans, this Agreement and other agreements related to the Franchised Business, and all related trade secrets or other confidential or proprietary information treated as such by us, whether by course of conduct, by letter or report, or by the use of any appropriate proprietary stamp or

legend designating such information or item to be confidential or proprietary, by any communication to such effect made before or at the time any Confidential Information is disclosed to you.

11.2 *Consequences of Breach*. You agree that any failure to comply with the requirements of this Section 11 will cause us irreparable injury, and you agree to pay all costs (including, reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 11.

12 ACCOUNTING, FINANCIAL AND OTHER RECORDS, AND INSPECTIONS

12.1 *Accounting Records and Sales Reports*.

12.1.1 With respect to the operation and financial condition of the Franchised Business, we will have the right to designate, and you agree to adopt, the fiscal year and interim fiscal periods that we decide are appropriate for the System.

12.1.2 With respect to the Franchised Business, you agree to maintain for at least three (3) years during (as well as after) the term of this Agreement (and also after any termination and/or transfer), full, complete, and accurate books, records, and accounts prepared in accordance with generally accepted accounting principles and in the form and manner we have prescribed periodically in the Brand Standards Manual or otherwise in writing, including: **(a)** daily cash reports; **(b)** cash receipts journal and general ledger; **(c)** cash disbursements and weekly payroll journal and schedule; **(d)** monthly bank statements, bank reconciliations, daily deposit slips, and cancelled checks; **(e)** all tax returns; **(f)** supplier's invoices (paid and unpaid); **(g)** dated daily and weekly cash register journals and POS reports in accordance with our standards; **(h)** periodic balance sheets, periodic profit and loss statements, and periodic trial balances; **(i)** operational schedules and weekly inventory records; **(j)** records of promotion and coupon redemption; and **(k)** such other records that we may periodically and reasonably request. You agree to allow us access to review all of these records as specified below in Section 12.6.

12.1.3 We have the right to specify the accounting software and a common chart of accounts, and, if we do so, you agree to use that software and chart of accounts (and require your bookkeeper and accountant to do so) in preparing and submitting your financial statements to us.

12.1.3.1 We have the right (among other things) to require that you use only an approved **(a)** bookkeeping service; and/or **(b)** payroll processing vendor. Your accountant must be a professional who is reasonably acceptable to us.

12.1.3.2 All of the records required under this Section 12.1 and in Sections 12.2 and 12.3 below must be maintained in digital form, accessible to us and/or or designee (for example, our accountants) remotely and in that digital form, and using a software program or online site (such as "QuickBooks") that we approve, so that the data can be reviewed and/or downloaded to our Technology System in a compatible and comparable manner.

12.1.3.3 You agree to provide to the accounting service provider complete and accurate information that we or the accounting service provider require, and

agree that we will have full access to the data and information that you provide to the accounting service provider or through the designated program.

12.1.3.4 Nothing in this Agreement requires your CPA to share with us its advice or guidance to you.

12.1.4 Each Period, you agree to submit to us, in the form we specify and/or using our Required Software (as that term is defined in Section 14.1.2 below), the Sales Report for the immediately preceding Period. You agree to submit the report to us by whatever method that we reasonably require (whether electronically through your use of our Required Software or otherwise, and in a manner that we designate so that it is compatible with our Technology Systems) for our receipt no later than the times required under Section 4.3 above. You agree that if you do not submit those reports to us in a timely manner, and/or if you do not permit us to access your Technology System as provided, we will have the right to charge you for the costs that we incur in auditing your records.

12.2 *Financial Statements*.

12.2.1 You agree to provide us, at your expense, and in a format that we reasonably specify, a complete annual financial statement prepared on a review basis by an independent certified public accountant (as to whom we do not have a reasonable objection) within ninety (90) days after the end of each fiscal year of the Franchised Business during the term of this Agreement. Your financial statement must be prepared according to generally accepted accounting principles, include a fiscal year-end balance sheet, an income statement of the Franchised Business for that fiscal year reflecting all year-end adjustments, and a statement of changes in your cash flow reflecting the results of operations of the Franchised Business during the most recently completed fiscal year.

12.2.2 In addition, each Month during the term of this Agreement after the opening of the Franchised Business, you agree to submit to us, in a format acceptable to us (or, at our election, in a form that we have specified): **(a)** a fiscal period and fiscal year-to-date profit and loss statement and a periodic balance sheet (which may be unaudited) for the Franchised Business and a periodic trial balance through the end of each Period; **(b)** reports of those income and expense items of the Franchised Business for the Period that we periodically specify for use in any revenue, earnings, and/or cost summary we choose to furnish to prospective franchisees (provided that we will not identify to prospective franchisees the specific financial results of the Franchised Business); **(c)** copies of all state sales tax returns for the Franchised Business; and **(d)** copies of withholding remittances. You agree to provide to us the materials required by Sections 12.2.2(a) and 12.2.2(b) above within fifteen (15) days after the end of each fiscal quarter, and the materials required by Sections 12.2.2(c) and 12.2.2(d) within ten (10) days after you have filed those returns with the appropriate taxing authorities.

12.2.3 Upon our request, you agree to take a physical inventory of the stock at your Facility and to provide us with a written report on the results of that inventory.

12.2.4 You must certify as correct and true all reports and information that you submit to us pursuant to this Section 12.2. You also agree to provide us with copies of your federal, state, and local income tax returns within ten (10) days after you file those but not more than one hundred and eighty (180) days after each fiscal year end. If you do not meet

your obligation to provide us with access to your books and records, as well as copies of required accounting records and financial statements, as specified in this Section 12, or if you fail to provide us with required reports (such as sales reports), then we will have the right to require you to have your annual financial statement prepared on a review basis by an independent certified public accountant that is reasonably satisfactory to us (however, if you have failed on more than one occasion to meet the foregoing standards, then we will have the right to require that your annual financial statement be prepared on an audited basis by an independent certified public accountant that is reasonably satisfactory to us).

12.2.5 You agree that upon our request, and for a limited period of time, you will provide us (and/or our agents, such as our auditors) with passwords and pass codes necessary for the limited purpose of accessing your Technology System in order to conduct the inspections specified in this Section 12. You also agree that you will change all passwords and pass codes after the inspection is completed.

12.3 *Additional Information*. You also agree to submit to us (in addition to the sales reports required pursuant to Section 12.1.4 above), for review or auditing, such other forms, reports, records, information, and data as and when we may reasonably designate, in the form and format, and at the times and places as we may reasonably require, upon request and as specified periodically in the Brand Standards Manual or otherwise in writing, including: **(a)** information in electronic format; **(b)** restated in accordance with our financial reporting periods; **(c)** consistent with our then-current financial reporting periods and accounting practices and standards; and/or **(d)** as necessary so that we can comply with reporting obligations imposed upon us by tax authorities with jurisdiction over the Franchised Business and/or our company. The reporting requirements of this Section 12.3 will be in addition to, and not in lieu of, the electronic reporting required under Section 14 below.

12.4 *PCI Compliance and Credit Cards*. With respect to processing customer payments by credit and debit cards, you agree to do all of the following:

12.4.1 You agree to comply with all of our policies regarding customer payment by credit and/or debit cards, including for example the required use of credit and/or debit cards and other payment methods offered by Payment Vendors, minimum purchase requirements for a customer's use of a credit and/or debit card, and other such requirements that we may set out in the Brand Standards Manual.

12.4.2 You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "**Payment Vendors**") that we may periodically designate as mandatory. The term "Payment Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet").

12.4.3 You agree not to use any Payment Vendor for which we have not given you our prior written approval or to which we have revoked our earlier approval.

12.4.4 We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider.

12.4.5 In addition to the other requirements of this Agreement to provide us with various information and reports, you agree to provide us with the information that we reasonably require concerning your compliance with data and cybersecurity requirements.

12.4.6 You agree to comply with our requirements concerning data collection and protection, as specified in Section 14.3 below.

12.4.7 You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

12.5 *Gift Cards and Incentive Programs*. You agree to offer for sale, participate in, and honor for purchases by customers, all gift cards and other incentive or convenience programs that we may periodically institute (including loyalty programs that we or a third party vendor operate, as well as mobile apps, mobile payment, and/or other customer affinity applications; together, "**Customer Apps**"); and you agree to do all of those things in compliance with our standards and procedures for such programs (which may be set out in the Brand Standards Manual or otherwise in writing). You agree to abide by our written standards with respect to gift card residual value. For this purpose, you must purchase the software, hardware, and other items needed to participate in, sell, and process Customer Apps, and to contact with Customer App vendors (including suppliers of gift cards and gift card processing services), as we may specify in writing in the Brand Standards Manual or otherwise. You must also pay the annual and per-transaction fees as may be required by the vendors of the gift card system . You agree not to sell, issue, or redeem coupons, gift certificates and gift cards other than gift cards that we have approved in writing.

12.6 *Our Right to Inspect Your Books and Records*. We have the right at all reasonable times to examine, copy, and/or personally review or audit (at our expense) all of your sales receipts, books, records, and sales and income tax returns in person or through electronic access (at our option). We will also have the right, at any time, to have an independent audit made of your books and records. You agree to cooperate with us and our auditors and provide the access and assistance that they may reasonably need in order to implement this Section 12.6. If an inspection should reveal that you have understated any payments in any report to us, then this will constitute a default under this Agreement, and you agree to immediately pay us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month (but if there is a legal maximum interest rate that applies to you, then not more than that maximum rate). If we conduct an inspection because you did not timely provide sales reports to us, or if an inspection discloses that you understated your sales, in any report to us (and/or underpaid your Royalties), by two percent (2%) or more, or if you did not maintain and/or provide us with access to your records, then you agree (in addition to paying us the overdue amount and interest) to reimburse us for any and all costs and expenses we incur in connection with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). These remedies will be in addition to any other remedies we may have. We may exercise our rights under this Section 12 directly or by engaging outside professional advisors (for example, a CPA) to represent us.

12.7 *Operational Inspections*. In addition to the provisions of Section 12.6 above, you also grant to us and our agents the right to enter upon the Franchised Business premises at any reasonable time for the purpose of conducting inspections, for among other purposes, preserving the validity of the Proprietary Marks, and verifying your compliance with this Agreement and the policies and procedures outlined in the Brand Standards Manual. You agree to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or from our agents (and without limiting our other rights under this Agreement), you agree to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. You further agree to pay us our then-current fee based on our then-current training fee schedule (currently, $500 per day) for our representative(s) and to reimburse us for our reasonable related travel expenses if additional inspections at the Franchised Business are required when a violation has occurred and you have not corrected the violation, if you request a site visit, or if you did not provide us with your records or access to your records upon reasonable request that is permitted under this Agreement.

13 MARKETING

13.1 *Marketing Contribution*.

13.1.1 For each Period during the term of this Agreement, you agree to contribute an amount equal to one percent (1%) of your Franchised Business' Gross Sales during the preceding Period (the "**Marketing Fund Contribution**") to the marketing and promotional fund for the U.S. (the "**Marketing Fund**". You agree to pay the Marketing Fund Contribution in the manner and at the times required under Section 4.3 above (and as otherwise provided in this Section 13).

13.1.2 In addition to the Marketing Fund Contribution: (a) you agree to spend a minimum sum specified in Exhibit A to this Agreement to conduct the Grand Opening Marketing Program (as further described in Section 13.6 below); and (b) make local marketing expenditures as provided in Section 13.3 below.

13.1.3 No part of the Marketing Fund Contribution shall be subject to refund or repayment under any circumstances.

13.2 *Marketing Fund*. We have the right (but not the obligation) to establish, maintain, and administer the Marketing Fund. All of the following provisions will apply to the Marketing Fund:

13.2.1 We (or our designee) will have the right to direct all marketing programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. You agree that the Marketing Fund is intended to maximize general public recognition, acceptance, and use of the System; and that we and our designee are not obligated, in administering the Marketing Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund.

13.2.2 The Marketing Fund, all contributions to that fund, and any of that fund's earnings, will be used exclusively to meet any and all costs of maintaining, administering, staffing, directing, conducting, preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities that we believe will enhance the image of the System (including, among other things, the costs of

preparing and conducting marketing and media advertising campaigns on radio, television, cable, and other media; direct mail advertising; developing and implementing website, social networking/media, geo-targeting, SEO and other search optimization, and other electronic marketing strategies; marketing surveys and other public relations activities; employing marketing personnel (including salaries for personnel directly engaged in consumer-oriented marketing functions), advertising and/or public relations agencies to assist with such endeavors; purchasing and distributing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs; engaging individuals as spokespersons and celebrity endorsers; purchasing creative content for local sales materials; reviewing locally-produced ads; preparing, purchasing and distributing door hangers, free-standing inserts, coupons, brochures, and trademarked apparel; market research; conducting sponsorships, sweepstakes and competitions; engaging mystery shoppers for Facilities and their competitors; paying association dues (including the International Franchise Association), establishing third-party facilities for customizing local advertising; purchasing and installing signage; and providing promotional and other marketing materials and services to the Facilities operated under the System).

13.2.3 You agree to contribute the portion of the Marketing Contribution allocated to the Marketing Fund in the manner and at the times that are specified above in Section 4.3. The Marketing Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by us, which products, services, or improvements we deem, in our sole discretion, will promote general public awareness and favorable support for the System. All sums you pay to the Marketing Fund will be maintained in an account separate from our other monies and will not be used to defray any of our expenses, except for such reasonable costs, salaries, and overhead, if any, as we may incur in activities reasonably related to the direction and implementation of the Marketing Fund and marketing programs for franchisees and the System. The Marketing Fund and its earnings will not otherwise inure to our benefit. We or our designee will maintain separate bookkeeping accounts for the Marketing Fund.

13.2.4 The Marketing Fund is not and will not be our asset. We will prepare and make available to you upon reasonable request an annual statement of the operations of the Marketing Fund as shown on our books.

13.2.5 Although once established the Marketing Fund is intended to be of perpetual duration, we maintain the right to terminate the Marketing Fund. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been expended for marketing purposes.

13.2.6 We will not use the Marketing Fund for solicitations that are primarily for the purpose of promoting the sale of new franchises.

13.3 *Local Marketing.* Your local marketing will be comprised of your Local Facility Marketing Expenditure and/or your contribution of funds to a regional fund, as specified in Sections 13.4 and 13.5 below.

13.3.1 Each month (starting the month after you first open your Facility for business) you will be required to spend at least Two Thousand Dollars ($2,000) or (if greater) two percent (2%) of your Gross Sales on local store marketing ("**LSM**").

13.3.2 We reserve the right to require that you contribute up to one percent (1%) (100 basis points) of your Gross Sales to a Regional Fund (as provided in Section 13.4 below), which will count toward your obligation to make the LSM expenditure (or Discounted Local Spend) under this Section 13.3.

13.4 *Regional Fund*. We have the right (but not the obligation) to designate any geographical area for purposes of establishing a Regional Fund. If a Regional Fund for the geographic area in which the Franchised Business is located has been established, then the following provisions will apply:

13.4.1 When you start operations under this Agreement, if there is already a Regional Fund for your area, then you agree to immediately become a member of that Regional Fund. If a Regional Fund is later established for the area in which the Franchised Business is located during the term of this Agreement, then you agree to become a member of such Regional Fund within thirty (30) days after the date on which the Regional Fund starts operation. You will not be required to join more than one Regional Fund.

13.4.2 If we establish a Regional Fund, then all the following provisions will apply to that Regional Fund:

13.4.2.1 Each Regional Fund will be organized and governed in a form and manner, and will commence operations on a date, all of which we must have approved in advance, in writing.

13.4.2.2 Each Regional Fund will be organized for the exclusive purpose of administering regional marketing programs and developing, subject to our approval, standardized promotional materials for use by the members in regional marketing.

13.4.2.3 No marketing, advertising or promotional plans or materials may be used by a Regional Fund or furnished to its members without our prior approval, pursuant to the procedures and terms as set forth in Section 13.9 below.

13.4.2.4 Once you become a member of a Regional Fund, you must contribute to a Regional Fund pursuant to the allocation that we specify in Section 13.1.2 above, at the time required under Section 4.3 above, together with such statements or reports that we, or the Regional Fund (with our prior written approval) may require.

13.4.2.5 Your financial contributions to the Regional Fund will be credited against your requirement under Sections 13.1.3 and 13.3 above to make local marketing expenditures. We also have the right to require that you submit your Regional Fund contributions and reports directly to us for distribution to the Regional Fund.

13.4.2.6 Voting will be based on one vote per full-service Facility, and any full-service Facilities that we (or our affiliates) operate in the region will have the same voting rights as those owned by franchisees. Each franchised Facility in the

Regional Fund shall also have one vote (no matter how many people own the franchisee).

13.4.2.7 Although once established, each Regional Fund is intended to be of perpetual duration, we maintain the right to terminate any Regional Fund. A Regional Fund will not be terminated, however, until all monies in that Regional Fund have been expended for marketing purposes.

13.5 *Local Marketing Expenditure*. LSM will consist only of the direct costs of purchasing and producing marketing materials (including camera-ready advertising and point of sale materials), media (space or time), and those direct out of pocket expenses related to costs of marketing and sales promotion that you spend in your local market or area, advertising agency fees and expenses, postage, shipping, telephone, and photocopying; however, the parties agree that local marketing may not include costs or expenses that you incur or that are spent on your behalf in connection with any of the following:

13.5.1 Salaries and expenses of your employees, including salaries or expenses for attendance at marketing meetings or activities, or incentives provided or offered to such employees, including discount coupons.

13.5.2 Charitable, political, or other contributions or donations; and/or

13.5.3 The value of discounts provided to consumers.

13.6 *Grand Opening Marketing Program*. In addition to the Marketing Contribution, you agree to spend an amount on grand opening marketing and promotional programs in at least the amount designated in Exhibit A to this Agreement in conjunction with the Franchised Business's initial grand opening, pursuant to a grand opening marketing plan that you develop and that we approve in writing (the "**Grand Opening Marketing Program**"). You will be required to spend 50% of the total amount before you open for business and the remaining 50% in the first month that you are open. The Grand Opening Marketing Program must begin sixty (60) days before the scheduled commencement date for the Franchised Business and be completed no later than thirty (30) days after the Franchised Business commences operation, and is subject to the provisions of Section 13.9 below.

13.7 *Materials Available for Purchase*. We may periodically make available to you for purchase marketing plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, community relations programs, and similar marketing and promotional materials for use in local marketing.

13.8 *Standards*. All your local marketing and promotion must: **(a)** be in the media, and of the type and format, that we may approve; **(b)** be conducted in a dignified manner; and **(c)** conform to the standards and requirements that we may specify. You agree not to use any advertising, marketing materials, and/or promotional plans unless and until you have received our prior written approval, as specified in Section 13.9 below.

13.9 *Our Review and Right to Approve All Proposed Marketing*. For all proposed local marketing and promotion, advertising, and promotional plans, you (or the Regional Fund, where applicable) must submit to us samples of such plans and materials (by means described in Section 24 below), for our review and prior written approval, which we agree to provide within seven (7) business days. If you (or the Regional Fund) have not received our written approval

within seven (7) business days after we have received those proposed samples or materials, then we will be deemed to have disapproved of them. You agree that any and all copyright in and to advertising, marketing materials, and promotional plans developed by or on behalf of you will be our sole property, and you agree to sign such documents (and, if necessary, require your employees and independent contractors to promptly sign such documents) that we deem reasonably necessary to give effect to this provision.

13.10 *Rebates*. You agree that periodic rebates, giveaways and other promotions and programs will, if and when we adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in reasonable rebates, giveaways, marketing programs, and other promotions that we establish and/or that other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities.

13.11 *Considerations as to Charitable Efforts*. You agree that certain associations between you and/or the Franchised Business and/or the Proprietary Marks and/or the System, on the one hand, and certain political, religious, cultural, or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, and/or an adverse effect on, our reputation and/or the good will associated with the Proprietary Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions, positions, and/or make statements that are (or that may be perceived by the public to be) taken in the name of, in connection or association with you, the Proprietary Marks, the Franchised Business, us, and/or the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

13.12 *Promotions*. You agree to participate in promotional programs that we periodically develop, in the manner that we direct, which may include providing services and products to frequent customers, including discounted and/or complimentary products or services.

13.13 *Additional Marketing Expenditure Encouraged*. You understand and acknowledge that the required contributions and expenditures are minimum requirements only, and that you may (and we encourage you to) spend additional funds for local marketing and promotion, which will focus on disseminating marketing directly related to your Franchised Business.

14 TECHNOLOGY

14.1 *Technology Systems and Required Software.* With respect to Technology Systems and required software:

14.1.1 We have the right to specify or require that certain brands, types, makes, and/or models of communications, Technology Systems, and hardware to be used by, between, or among Facilities, and in accordance with our standards, including:

a. back office and point of sale systems, data, audio, video (including managed video security surveillance, which we have the right to monitor to the extent permitted by law), telephone, voice messaging, retrieval, and transmission systems for use at Facilities, between or among Facilities, and between and among the Franchised Business, and you, and us;

b. point-of-sale system as defined in Section 14.6 below;

c. physical, electronic, and other security systems and measures;

d. printers and other peripheral devices;

e. archival back-up systems;

f. internet access mode (such as form of telecommunications connection) and speed;

g. technology used to enhance and evaluate the customer experience (including digital ordering devices, kiosk, touchpads, and the like);

h. digital and virtual display boards and related technology, hardware, software, and firmware;

i. front-of-the-house Wi-Fi (or similar service) and other connectivity service for customers;

j. cloud-based back-end management systems and storage sites;

k. in-shop music systems under Section 8.4.7 above; and

l. consumer-marketing oriented technology (including Customer Apps, affinity and rewards hardware and software, facial and other customer-recognition technology, and approved social media/networking sites)

(collectively, all the above in this Section 14.1.1 are referred to as the "**Technology System**").

14.1.2 We have the right, but not the obligation, to develop or have developed for us, or to designate: **(a)** programs, computer software, and other software (e.g., accounting system software) that you must use in connection with the Technology System (including applications, technology platforms, and other such solutions) ("**Required Software**"), which you must install and maintain; **(b)** updates, supplements, modifications, or enhancements to the Required Software, which you must install and maintain; **(c)** the media upon which you must record data; and **(d)** the database file structure of your Technology System. If we require you to use any or all of the above items, then you agree that you will do so. The term "Required Software" also includes the affinity program cards that is required under Section 12.5 above.

14.1.3 You agree to install, use, maintain, update, and replace (as needed) all elements of the Technology System and Required Software at your expense. You agree to pay us or third-party vendors, as the case may be, initial and ongoing fees in order to install, maintain, and continue to use the Required Software, hardware, and other elements of the Technology System.

14.1.4 You agree to implement and periodically make upgrades and other changes at your expense to the Technology System and Required Software as we may reasonably request in writing (collectively, "**Computer Upgrades**") (which may be in conjunction with a Minor Refurbishment or as is otherwise needed).

14.1.5 You agree to comply with all specifications that we issue with respect to the Technology System and the Required Software, and with respect to Computer Upgrades, at your expense. You agree to afford us unimpeded access to your

Technology System and Required Software, including all information and data maintained thereon, in the manner, form, and at the times that we request.

14.1.6 You also agree that we will have the right to approve or disapprove your use of any other technology solutions (including beacons and other tracking methodologies).

14.1.7 Each Period, you agree to pay us a technology fee in our then-current amount (presently, there is no technology fee, but we have the right as circumstances warrant to start requiring the payment of a technology fee (and to change the fee periodically) by giving you written notice one or more Periods before that change takes effect). You may also be charged fees by tech vendors that provide products and/or services to you, and you agree to pay those charges in the ordinary course of business. (If we pay a vendor, including a tech vendor, on your behalf, then you agree to reimburse us for the payments that we make on your behalf.)

14.1.8 If you ask us to provide and we agree to render additional technology services, then you agree to pay us our standard fees for that work (including non-standard technology integration).

14.2 *Data*.

14.2.1 You agree that all data relating to the Franchised Business that you collect, create, provide, or otherwise develop on your Technology System (whether or not uploaded to our system from your system and/or downloaded from your system to our system) is and will be owned exclusively by us, and that we will have the right to access, download, and use that data in any manner that we deem appropriate without compensation to you.

14.2.2 You agree that all other data that you create or collect in connection with the System, and in connection with your operation of the Franchised Business (including customer and transaction data), is and will be owned exclusively by us during the term of, and after termination or expiration of, this Agreement.

14.2.3 In order to operate your Franchised Business under this Agreement, we hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and for your use in connection with operating the Franchised Business. You agree that except for the right to use the data under this clause, you will not develop or have any ownership rights in or to the data.

14.2.4 You agree to transfer to us all data (in the digital machine-readable format that we specify, and/or printed copies, and/or originals) promptly upon our request when made, whether periodically during the term of this Agreement, upon termination and/or expiration of this Agreement, or at the time of any transfer of an interest in you and/or of the Franchised Business.

14.2.5 For the limited purpose of this Section 14.2, references to “data” exclude consumers’ credit card and/or other payment information.

14.3 *Data Requirements and Usage*. We may periodically specify in the Brand Standards Manual or otherwise in writing the information that you agree to collect and maintain on the Technology System installed at the Franchised Business, and you agree to provide to us such reports as we may reasonably request from the data so collected and maintained. In addition:

14.3.1 You agree to abide by all applicable laws pertaining to the data (including those pertaining to the collection, use, maintenance, disposition, and/or privacy of consumer, employee, vendor, and transactional information) ("**Privacy Laws**").

14.3.2 You agree to also comply with any standards and policies that we may issue (without any obligation to do so) pertaining to the collection, use, maintenance, disposition, and/or privacy of consumer, employee, vendor, and transactional information. If you become aware (and/or if you should be aware) that there is a conflict between our standards and policies and Privacy Laws, then you agree to: **(a)** comply with the requirements of the Privacy Laws; **(b)** immediately give us written notice of that conflict; and **(c)** promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to privacy within the bounds of Privacy Laws.

14.3.3 You agree to not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to such policy.

14.3.4 You agree to implement at all times appropriate physical and electronic security as is necessary to secure your Technology System, including complex passwords that you change periodically, and to comply with any standards and policies that we may issue (without obligation to do so) in this regard.

14.4 *Portal*. You agree to comply with our requirements (as set forth in the Brand Standards Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Technology System and our Portal and/or such other Technology Systems as we may reasonably require. The term "**Portal**" means a private network based upon Internet protocols that will allow users inside and outside of our headquarters to access certain parts of our computer network via the Internet. We may establish an Portal (but are not required to do so or to maintain an Portal). The Portal may include, among other things, the Brand Standards Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You agree to purchase and maintain such computer software and hardware (including telecommunications capacity) as may be required to connect to and utilize the Portal. You agree to execute and deliver to us such documents as we may deem reasonably necessary to permit you to access the Portal.

14.5 *No Separate Digital Sites*. Unless we have otherwise approved in writing, you agree to neither establish nor permit any other party to establish a Digital Site relating in any manner whatsoever to the Franchised Business or referring to the Proprietary Marks. We will have the right, but not the obligation, to provide one or more references or webpage(s), as we may periodically designate, within our Digital Site. The term "**Digital Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including the Internet, World Wide Web, webpages, microsites, social media and networking sites (including Facebook, Twitter, Threads, LinkedIn, YouTube, TikTok, Snapchat, Pinterest, Instagram, etc.), the metaverse, blogs, vlogs, podcasts, applications to be used on mobile devices (e.g., iOS or Android apps), and other applications, etc. (whether they are now in existence or developed at some point in the future). However, if we give you our prior written consent to have some form of separate Digital Site (which we are not obligated to approve), then each of the following provisions will apply:

14.5.1 You agree that you will not establish or use any Digital Site without our prior written approval.

14.5.2 Any Digital Site that you own or that is maintained by or for your benefit will be deemed "marketing" under this Agreement, and will be subject to (among other things) our right of review and prior approval under Section 13.9 above.

14.5.3 Before establishing any Digital Site, you agree to submit to us, for our prior written approval, a sample of the proposed Digital Site domain name, format, visible content (including, proposed screen shots, links, and other content), and non-visible content (including, meta tags, cookies, and other electronic tags) in the form and manner we may reasonably require.

14.5.4 You may not use or modify such Digital Site without our prior written approval as to such proposed use or modification.

14.5.5 In addition to any other applicable requirements, you agree to comply with the standards and specifications for Digital Sites that we may periodically prescribe in the Brand Standards Manual or otherwise in writing (including requirements pertaining to designating us as the sole administrator or co-administrator of the Digital Site).

14.5.6 If we require, you agree to establish such hyperlinks to our Digital Site and others as we may request in writing.

14.5.7 If we require you to do so, you agree to make weekly or other periodic updates to the Digital Site to reflect information regarding specials and other promotions at your Franchised Business.

14.5.8 We may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf, and we will have the right (but not the obligation) to exercise all of the rights and privileges that an administrator may exercise. Upon termination or expiration of this Agreement, or at any time that we so require, you agree to transfer to us any Digital Site (including the domain name, social networking handle such as a Facebook page administrative control, or otherwise as needed to provide us with sole access to that site.)

14.6 *POS Systems*. You agree to record all sales on integrated computer-based point of sale systems we approve or on such other types of cash registers and other devices (such as iPads, touch screens, printers, bar code readers, card readers, cash drawers, battery back-up, etc.) that we may designate in the Brand Standards Manual or otherwise in writing ("**POS Systems**"), which will be deemed part of your Technology System. You agree to utilize POS Systems that are fully compatible with any program, software program, and/or system which we, in our discretion, may employ (including mobile or remote device, application and payment systems), and you agree to record all Gross Sales and all sales information on such equipment. We may designate one or more third party suppliers or servicers to provide installation, maintenance, and/or support for the POS System, and you agree to enter into and maintain such agreements (including making such payments) as we or the third-party suppliers and/or servicers require in connection with the installation, maintenance, and/or support for the POS System. The POS System is part of the Technology System. You agree to at all times maintain a continuous high-speed Ethernet-cabled (not wireless) connection to the Internet to upload and download POS data to us.

14.7 *E-Mail*. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail, text message, and/or other electronic method without obtaining our prior written consent as to: **(a)** the content of such electronic advertisements or solicitations; and

(b) your plan for transmitting such advertisements. In addition to any other provision of this Agreement, you will be solely responsible for compliance with any laws pertaining to sending electronic communication including, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003"), the Federal Telephone Consumer Protection Act, and the Canada Anti-Spam Law (known as "CASL"). (As used in this Agreement, the term "**electronic communication**" includes all methods for sending communication electronically, whether or not currently invented or used, including e-mails, text messages, app- and/or internet-based communication, and faxes.)

14.8 *Outsourcing*. You agree not to hire third party or outside vendors to perform any services or obligations in connection with the Technology System, Required Software, and/or any other of your obligations, without our prior written approval. Our consideration of any proposed outsourcing vendors may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that we may reasonably provide and the third party or outside vendor's agreement to pay for all initial and ongoing costs related to interfaces with our Technology Systems. The provisions of this section are in addition to and not instead of any other provision of this Agreement. You agree not to install (and/or remove) any software or firmware from the Technology System without our prior written consent. You also agree not to implement, use, or otherwise engage with AI Sources without our prior written consent. The term "**AI Source**" means any resource, online or otherwise, that is for the purpose of gathering, implementing, or otherwise using information from you using artificial intelligence technology and/or machine learning technology, including ChatGPT, OpenAI, and other sources.

14.9 *Telephone Service*. You agree to use the telephone service for the Facility that we may require, which may be one or more centralized vendors that we designate for that purpose. You agree that we may designate, and own, the telephone numbers for your Franchised Business, and you agree to sign the forms necessary to implement this clause.

14.10 *Changes*. You agree that changes to technology are dynamic and likely to occur during the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to abide by those reasonable new standards as if this Section 14 were periodically revised by us for that purpose, and you also agree to pay vendors' charges for those new items and services. You agree that the terms of this Section 14 apply to all technologies, whether currently available, in some stage of development, or to be invented after the date of this Agreement.

14.11 *Electronic Communication – Including E-Mail, Texts, and other Messaging*. You agree that exchanging information with us by electronic communication methods is an important way to enable quick, effective, and efficient communication, and that we are entitled to rely upon your use of electronic communications as part of the economic bargain underlying this Agreement. To facilitate the use of electronic communication to exchange information, you authorize the transmission of those electronic communications by us and our employees, vendors, and affiliates (on matters pertaining to the business contemplated under this Agreement) (together, "**Official Senders**") to you during the term of this Agreement.

14.11.1 In order to implement the terms of this Section 14.11, you agree that: **(a)** Official Senders are authorized to send electronic communications to those of your employees as you may occasionally designate for the purpose of communicating with us and others; **(b)** you will cause your officers, directors, members, managers, and employees

(as a condition of their employment or position with you) to give their consent (in an electronic communication or in a pen-and-paper writing, as we may reasonably require) to Official Senders' transmission of electronic communication to those persons, and that such persons may not opt-out, or otherwise ask to no longer receive electronic communication, from Official Senders during the time that such person works for or is affiliated with you; and **(c)** you will not opt-out, or otherwise ask to no longer receive electronic communications, from Official Senders during the term of this Agreement.

14.11.2 The consent given in this Section 14.11 will not apply to the provision of notices by either party under this Agreement using e-mail unless the parties otherwise agree in a pen-and-paper writing signed by both parties.

14.11.3 We may permit or require you to use a specific e-mail address (or address using another communications method) (for example, one that will contain a Top Level Domain Name that we designate, such as "john.smith@PickleRage.com or "jane.jones@PRfranchisee.com") (the "**Permitted E-mail Address**") in connection with the operation of the Franchised Business, under the standards that we set for use of that Permitted E-mail Address. You will be required to sign the form E-Mail authorization letter that we may specify for this purpose. If we assign you a Permitted E-mail Address, then you agree that you (and your employees) will use only that e-mail account for all business associated with your Franchised Business.

15 INSURANCE

15.1 *Required Insurance Coverage*. Before starting any activities or operations under this Agreement, you agree to procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required under this Agreement for events having occurred during the Term of this Agreement), at your expense, at least the following insurance policy or policies in connection with the Franchised Business or other facilities on premises, or by reason of the construction, operation, or occupancy of the Franchised Business or other facilities on premises. Such policy or policies must be written by an insurance company or companies we have approved, having at all times a rating of at least "A+" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide), and licensed and admitted to do business in the state in which the Franchised Business is located, and must include, at a minimum (however, you agree that we may reasonably specify additional coverages and higher policy limits in the Brand Standards Manual or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards, and/or other relevant changes in circumstances), the following (all subject to the additional requirements of this Section 15):

15.1.1 Commercial general liability insurance protecting against any and all claims for personal, bodily and/or property injury occurring in or about the Facility and protecting against assumed or contractual liability under this Agreement with respect to the Facility and your operations, with such policy to be placed with minimum limits of $1,000,000 limit per occurrence, $2,000,000 general aggregate per location and $2,000,000 products and completed operations aggregate. This coverage may not exclude losses due to assault, battery, sexual abuse, molestation, food borne illness and/or the use or brandishing of firearms.

15.1.2 Liquor Legal Liability, providing at least $1,000,000 combined single limit for bodily injury and property damage, subject to no deductible. This policy must be written on an “occurrence” basis, and the policy must be endorsed to include the landlord as an "Additional Insured".

15.1.3 Comprehensive automobile liability insurance with limits of liability not less than $1,000,000 combined single limit for both bodily injury and property damage.

15.1.4 Statutory workers’ compensation insurance and employer’s liability insurance with a minimum limit equal to at least $1,000,000 or more if required by your umbrella carrier, plus other disability insurance that may be required by your state.

15.1.5 Data theft and cybersecurity coverage with limits of liability not less than $1,000,000 combined single limit.

15.1.6 Employment practices liability insurance with limits of liability not less than $1,000,000 combined single limit.

15.1.7 Commercial umbrella liability insurance that bring the total of all primary underlying coverages (commercial general liability, comprehensive automobile liability, and employers’ liability) to at least $2,000,000 total limit of liability. The umbrella liability must provide at least those coverages and endorsements required in the underlying policies.

15.1.8 If applicable, property insurance providing coverage for direct physical loss or damage to real and personal property, including furniture, fixtures, equipment, and stock on a replacement cost basis with no more than a $10,000 deductible for all risk perils, and no more than $25,000 for the perils of flood and earthquake. This coverage must include equipment breakdown insurance coverage. Appropriate coverage must also be provided for business income & extra expense, written on an actual loss sustained basis for 12 months (including royalty fees due to us for the trailing 12 months before the loss), with coverage written using ISO Forms CP0030 (10 12) and CP1030 (10 12) (or their substantial equivalent).. The policy should include coverage for food spoilage of at least $250,000, ordinance and law, civil authority, as well as sewer and drain back up. The policy should include wind or named storm coverage with a deductible of no more than 2%. Any deductibles contained in such policy will be subject to our review and approval.

15.1.9 Crime Insurance providing Employee Dishonesty coverage with a limit of $1,000,000 covering all employees.

15.1.10 Any other insurance coverage that is required by applicable law.

15.1.11 All coverages must be written with no coinsurance penalty.

15.2 *Additional Terms Applicable to All Policies.* In addition to the other provisions of this Section 15 (above and those below), you agree that:

15.2.1 All policies listed in Section 15.1 above (unless otherwise noted below) must contain such endorsements as we will periodically specify in the Brand Standards Manual.

15.2.2 All policies must waive subrogation as between us (and our insurance carriers) and you (and your insurance carriers).

15.2.3 All public liability and property damage policies must: **(a)** list as additional insureds, us and any other entities in which we have an interest (as well as all other entities affiliated with us), and each of those parties' respective members, managers, shareholders, directors, officers, partners, joint venturers, employees, servants, and agents, and their successors and assigns; and **(b)** contain a provision that we, although named as an additional insured, will nevertheless be entitled to recover under said policies on any loss occasioned to us or our servants, agents, or employees by reason of the negligence of you or your servants, agents, or employees, including as additional insureds.

15.2.4 You agree to provide us with at least sixty (60) days' advance written notice in the event of cancellation, change, and/or non-renewal of any policy, in the manner provided in Section 24 below.

15.3 *Construction Coverages*. In connection with all significant construction, reconstruction, or remodeling of the Franchised Business during the term of this Agreement, you agree to require the general contractor, its subcontractors, and any other contractor, to effect and maintain at general contractor's and all other contractors' own expense, such insurance policies and bonds with such endorsements as are set forth in the Brand Standards Manual, all written by insurance or bonding companies that we have approved, having a rating as set forth in Section 15.1 above.

15.4 *Other Insurance Does Not Impact your Obligation*. Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified will not be limited in any way by reason of any insurance that we may maintain, nor will your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 21.4 below. Additionally, the requirements of this Section 15 will not be reduced, diminished, eroded, or otherwise affected by insurance that you carry (and/or claims made under that insurance) for other businesses, including other Facilities that you (and/or your affiliates) operate under the System.

15.5 *Certificates of Insurance*. At least thirty (30) days before the time you are first required to carry any insurance under this Agreement, and from then on, at least thirty (30) days before the expiration of any such policy (and also on the first anniversary of the Effective Date, and on each subsequent anniversary of the Effective Date), you agree to deliver to us certificates of insurance evidencing the proper coverage with limits not less than those required under this Agreement. All certificates must expressly provide that we will receive at least thirty (30) days' prior written notice if there is a material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates. Additional certificates evidencing the insurance required by Section 15.1 above must name us, and each of our affiliates, directors, agents, and employees, as additional insured parties, and must expressly provide that those parties' interests will not be affected by any breach by you of any policy provisions for which such certificates evidence coverage.

15.6 *Required Coverages are Minimums*. You agree that the specifications and coverage requirements in this Section 15 are minimums only, and that we recommend that you review these with your own insurance advisors to determine whether additional coverage is warranted in the operation of your Franchised Business.

15.7 *Obtaining Coverage*. If you fail to maintain or acquire insurance, we will have the right (but not the obligation) to obtain insurance coverage on your behalf, in which case we will invoice you for the insurance premiums plus our reasonable expenses, and you agree to pay those invoices within five (5) days after we send them to you in the manner that we request (which may be as specified in Section 4.3.2 above).

16 TRANSFER OF INTEREST

16.1 *By Us*. We will have the right to transfer or assign this Agreement and/or all or any part of our rights or obligations under this Agreement to any person or legal entity, and any assignee of us, and that assignee will become solely responsible for all of our transferred obligations under this Agreement as of the date of assignment.

16.2 *Your Principals*. Each party that holds any interest whatsoever in you (whether directly, indirectly, and/or beneficially) (each, a "**Principal**"), and the interest that each Principal holds in you (directly, indirectly, and/or beneficially) is identified in Exhibit C to this Agreement. You represent and warrant to us, and agree, that your owners are accurately set forth on Exhibit C to this Agreement, and you also agree not to permit the identity of those owners, and/or their respective interests in you, to change without complying with this Agreement.

16.3 *Principals*. We will have a continuing right to designate any person or entity that owns a direct or indirect interest in you as a Principal, and Exhibit C will be amended automatically upon written notice to you.

16.4 *By You*. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted this franchise in reliance on your (or your Principals') business skill, financial capacity, and personal character. Accordingly:

16.4.1 You agree not to make a transfer (and not to permit any other party to make a transfer) without our prior written consent.

16.4.1.1 As used in this Agreement, the term "**transfer**" is agreed to mean any sale, assignment, conveyance, pledge, encumbrance, merger, creation of a security interest in, and/or giving away of any direct or indirect interest in: **(a)** this Agreement; **(b)** you; **(c)** any or all of your rights and/or obligations under this Agreement; and/or **(d)** all or substantially all the assets of the Franchised Business.

16.4.1.2 Any purported assignment or transfer that does not have our prior written consent as required by this Section 16 will be null and void and will also constitute a material breach of this Agreement, for which we may immediately terminate this Agreement without opportunity to cure, pursuant to Section 17.2.5 below.

16.4.2 You agree (unless you are a partnership) that: **(a)** without our prior written approval, you will not issue any voting securities or interests, or securities or interests convertible into voting securities; and **(b)** the recipient of any such security or other interest will become a Principal under this Agreement if we designate them as such. If you are a general partnership, limited partnership, or limited liability partnership, then the partners of that partnership will not, without our prior written consent, admit additional limited or general partners, remove a general partner, or otherwise materially alter the

powers of any general partner. Each general partner in such a partnership will automatically be deemed to be a Principal.

16.4.3 If you are a trust, then the trustee(s) of that trust shall not, without our prior written consent, admit additional trustees, remove a trustee, or otherwise materially alter the powers of any trustee, nor admit new beneficiaries or change beneficiaries. Each trustee in such a trustee will automatically be deemed to be a Principal.

16.4.4 Principals must not, without our prior written consent, transfer, pledge, and/or otherwise encumber their interest in you. Any such transaction shall also be deemed a "transfer" under this Agreement.

16.4.5 You also agree that in the case of any proposed transfer, you authorize us to truthfully answer questions posed to us by the proposed transferee, including providing that party with information relating to your Facility (such as sales reports) (although we will have the right not to provide any or all such information).

16.5 *Transfer Conditions*. We will not unreasonably withhold any consent required by Section 16.4 above; provided, that if you propose to transfer your obligations under this Agreement or any material asset, or if any party proposes to transfer any direct or indirect interest in you, then we will have the right to require that you satisfy any or all of the following conditions (and any other conditions that we may reasonably require) in addition to signing a Transfer Agreement (which will include releases), before we grant our approval to the proposed transfer:

16.5.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective officers, directors, members, managers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, claims arising under this Agreement, any other agreement between you and us, and/or your affiliates, our affiliates, and federal, state, and local laws and rules.

16.5.2 The transferee of a Principal will be designated as a Principal and each transferee who is designated a Principal must enter into a written agreement, in a form satisfactory to us, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in you; and, if your obligations were guaranteed by the transferor, the Principal must guarantee the performance of all such obligations in writing in a form satisfactory to us.

16.5.3 The proposed new Principals (after the transfer) must meet our educational, managerial, and business standards; each must possess a good moral character, business reputation, and credit rating; not be a competitor; have the aptitude and ability to operate the Franchised Business, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the Franchised Business.

16.5.4 We will have the right to require that you execute, for a term ending on the expiration date of this Agreement, the form of franchise agreement that we are then offering to new System franchisees, and such other ancillary agreements that we may require for the business franchised under this Agreement, and those agreements will supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, higher Royalties and marketing fees.

You also agree to sign (and cause your principals to sign) a transfer agreement in the form that we reasonably provide, which will include general releases.

16.5.5 If we request, then you must conduct Major Remodeling and purchase new equipment to conform to the then-current standards and specifications of new Facilities then-being established in the System, and you agree to complete the upgrading and other requirements specified above in Section 8.8.3 within the time period that we specify.

16.5.6 You agree to pay in full all of your monetary obligations to us and our affiliates, and to all vendors (whether arising under this Agreement or otherwise), and you must not be otherwise in default of any of your obligations under this Agreement (including your reporting obligations).

16.5.7 The transferor must remain liable for all of the obligations to us in connection with the Franchised Business that arose before the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and must execute any and all instruments that we reasonably request to evidence such liability.

16.5.8 A Principal of the transferee whom we designate to be a new Operating Principal, and those of the transferee's Operating Principal, General Manager, and Additional Trained Personnel as we may require, must successfully complete (to our satisfaction) all training programs that we require upon such terms and conditions as we may reasonably require (and while we will not charge a fee for attendance at such training programs, the transferee will be responsible for the salary and all expenses of the person(s) that attend training).

16.5.9 If you and/or your affiliates are subject to a development agreement with us, then we will have the right to require that you make the transfer (if it is approved under this Section 16) only in conjunction with a simultaneous transfer of the same rights and interests with respect to your Development Agreement and any other franchised Facilities developed pursuant to that Development Agreement to the same buyer.

16.5.10 You agree to pay us a transfer fee of fee equal to $32,500 or 50% of our then-current initial franchise fee, whichever is more as well as reimburse us for any out-of-pocket costs that we incur in discussing, documenting, and completing your transfer.

16.5.11 If any party has engaged a broker with respect to the transfer, you must also pay (or ensure the buyer's payment of) any applicable commission to the broker in connection with the transfer. (If we or any of our affiliates (or persons who work for us or our affiliates) were the party to introduce you to a buyer, then you agree to also pay us a fee of three percent (3%) of the total compensation paid to you in connection with the transaction.)

16.5.12 The transferor must acknowledge and agree that the transferor will remain bound by the covenants contained in Sections 19.3, 19.4, and 19.5 below.

16.6 *Right of First Refusal*. If you or any of your Principals wish to accept any *bona fide* offer from a third party to purchase you, any of your material assets, or any direct or indirect interest in you, then all of the following will apply:

16.6.1 You (or the Principal who proposes to sell his/her interest) must promptly notify us in writing of the offer and provide us with the information and documentation relating to

the offer that we may require. We will have the right and option, exercisable within thirty (30) days after we have received all such information that we have requested, to send written notice to the seller that we intend to purchase the seller's interest on the same economic terms and conditions offered by the third party. After exercising our right, we will also have the right to conduct additional reasonable due diligence and to require the seller to enter into a purchase agreement in a form mutually acceptable to us and to the seller. If we elect to purchase the seller's interest, then the closing on such purchase will occur within thirty (30) days from the date of notice to the seller of the election to purchase by us.

16.6.2 Any material change in the terms of the offer before closing will constitute a new offer subject to our same rights of first refusal (as set forth in this Section 16.6) as in the case of the third party's initial offer. If we do not exercise the option afforded by this Section 16.6 that will not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 16, with respect to a proposed transfer.

16.6.3 If the consideration, terms, and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one independent appraiser, then we will promptly designate an independent appraiser and you will promptly designate another independent appraiser and those two appraisers will, in turn, promptly designate a third appraiser; and all three appraisers will promptly confer and reach a single determination (or, if unable to reach a single determination, a valuation determined by a majority vote of those appraisers), which determination will be binding upon both you and us. Both parties will equally share the cost of any such appraisal.

16.6.4 If we exercise our rights under this Section 16.6, then we will have the right to set off all amounts due from you (including one-half (½) of the cost of an appraisal, if any, conducted under Section 16.6.3 above) against any payment to you.

16.7 *Death or Incapacity*. If you or any Principal dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must promptly notify us of the circumstances, and apply to us in writing within six (6) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer that party's interest. The transfer will be subject to the provisions of this Section 16, as applicable; however, we will not impose a transfer fee for such a transfer if you reimburse us for our reasonable out-of-pocket expenses incurred in reviewing, approving, and documenting your proposed transaction, including our attorneys' fees.

16.7.1 In addition, if the deceased or incapacitated person is the Operating Principal, we will have the right (but not the obligation) to take over operation of the Franchised Business until the transfer is completed and to charge a reasonable management fee for our services.

16.7.2 For purposes of this section, "**incapacity**" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement: **(a)** for a period of thirty (30) or more consecutive days; or **(b)** for sixty (60) or more

total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 16.3, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement.

16.7.3 If an interest is not disposed of under this section within six (6) months after the date of death or appointment of a personal representative or trustee, we may terminate this Agreement under Section 17.2 below.

16.8 *Consent to Transfer*. Our consent to a transfer that is the subject of this Section 16 will not constitute a waiver of any claims that we may have against the transferring party, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

16.9 *No Transfers to a Non-Franchisee Party to Operate a Similar Facility*. You agree that neither you nor any Principal of yours will transfer or attempt to transfer any or all of your Franchised Business to a third party who will operate a similar business at the Accepted Location but not under the System and the Proprietary Marks, and not under a franchise agreement with us.

16.10 *Bankruptcy Issues*. If you or any person holding any interest (direct or indirect) in you become a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of the Franchisee, your obligations, and/or your rights under this Agreement, any material assets of yours, and/or any indirect or direct interest in you will be subject to all of the terms of this Section 16, including the terms of Sections 16.4, 16.5, and 16.6 above.

16.11 *Securities Offers*. All materials for an offering of stock, ownership, and/or partnership interests in you or any of your affiliates that are required by federal or state law must be submitted to us for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering must be submitted to us for such review before their use.

16.11.1 You agree that: **(a)** no offering by you or any of your affiliates may imply (by use of the Proprietary Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities or your affiliates; **(b)** our review of any offering will be limited solely to the relationship between you and us (and, if applicable, any of your affiliates and us); and **(c)** we will have the right, but not obligation, to require that the offering materials contain a written statement that we require concerning the limitations stated above.

16.11.2 You (and the offeror if you are not the offering party), your Principals, and all other participants in the offering must fully indemnify us and all of the Franchisor Parties (as defined in Section 21.5.2 below) in connection with the offering.

16.11.3 For each proposed offering, you agree to pay us a non-refundable fee of Five Thousand Dollars ($5,000) or such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing, documenting, and discussing the proposed offering with you and your representatives.

16.11.4 You agree to give us written notice at least thirty (30) days before starting any offering or other transaction described in this Section 16.11. Any such offering will be subject to all of the other provisions of this Section 16, including the terms set forth in Sections 16.4, 16.5, 16.6; and further, without limiting the foregoing, it is agreed that any such offering will be subject to our approval as to the structure and voting control of the offeror (and you if you are not the offeror) after the financing is completed.

16.11.5 You agree to deliver to us (at your expense) an opinion of your legal counsel (addressed to us and in a form acceptable to us) that the offering documents properly use the Proprietary Marks and accurately describe your relationship with us and/or our affiliates.

16.11.6 You also agree that after your initial offering, described above, for the remainder of the term of the Agreement, you will submit to us for our review and prior written approval all additional securities documents (including periodic reports, such as quarterly, annual, and special reports) that you prepare and file (or use) in connection with any such offering. You agree to reimburse us for our reasonable costs and expenses (including legal and accounting fees) that we incur in connection with our review of those materials.

17 DEFAULT AND TERMINATION

17.1 *Automatic with no notice and no opportunity to cure*. If any one or more of the following events take place, then you will be deemed to be in default under this Agreement, and all rights granted in this Agreement will automatically terminate without notice to you: **(a)** if you will become insolvent or make a general assignment for the benefit of creditors; **(b)** if a bill in equity or other proceeding for the appointment of a receiver for you or another custodian for your business or assets is filed with or without your consent; **(c)** if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; **(d)** if proceedings for a composition with creditors under any state or federal law is instituted by or against you; **(e)** if a material final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless appealed or a supersedeas bond is filed); **(f)** if you are dissolved; or if execution is levied against your business or property; **(g)** if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against you and not dismissed within thirty (30) days; and/or **(h)** if the real or personal property of your Franchised Business will be sold after levy thereupon by any sheriff, marshal, or constable.

17.2 *With Notice and no opportunity to cure.* If any one or more of the following events occur, then you will be in default under this Agreement, and we will have the right to terminate this Agreement and all rights granted under this Agreement, without affording you any opportunity to cure the default, effective immediately upon the delivery of our written notice to you (in the manner provided in Section 24 below):

17.2.1 If you do not obtain an Accepted Location for the Franchised Business within the time limits specified under the Site Selection Addendum, or if you do not construct and open the Franchised Business within the time limits specified in Sections 5.1 and 8.2 above (and within the requirements specified in Sections 5 and 8.2 above);

17.2.2 If at any time: **(a)** you cease to operate or otherwise abandon the Franchised Business for two (2) or more consecutive business days and/or two (2) or more business days within any week (during which you are otherwise required to be open, and without our

prior written consent otherwise, unless necessary due to an event of force majeure as defined in Section 22 below); **(b)** you lose the right to possession of the premises; **(c)** forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located (however, if through no fault of yours, the premises are damaged or destroyed by an event such that you cannot complete repairs or reconstruction within ninety (90) days thereafter, then you will have thirty (30) days after such event in which to apply for our approval to relocate and/or reconstruct the premises, which approval we will not unreasonably withhold, subject to Section 1.2.3 above);

17.2.3 If you or any of your Principals are charged with and/or convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein;

17.2.4 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business and/or if you fail to comply with the requirements of Section 8.16 above;

17.2.5 If you or any of your Principals purport to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 16 above;

17.2.6 If you fail to comply with the requirements of Section 19 below;

17.2.7 If, contrary to the terms of Sections 10 or 11 above, you disclose or divulge the contents of the Brand Standards Manual or other confidential information that we provide to you;

17.2.8 If an approved transfer of an interest in you is not completed within a reasonable time, as required by Section 16.7 above;

17.2.9 If you maintain false books or records, or submit any false reports (including information provided as part of your application for this franchise) to us;

17.2.10 If you commit three (3) or more material defaults under this Agreement in any fifty-two (52) week period, whether or not each such default has been cured after notice;

17.2.11 If, after receipt of notice from us of a violation of the provisions of Sections 7.1 and/or 8.4 above, you continue to purchase any Input Items from an unapproved supplier, or if you sell anything from the Facility that is not a Retail Product or a Service;

17.2.12 If you engage in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice; and/or

17.2.13 If you make any unauthorized or improper use of the Proprietary Marks, or if you or any of your Principals use the Proprietary Marks in a manner that we do not permit (whether under this Agreement and/or otherwise) or that is inconsistent with our direction, or if you or any of your Principals directly or indirectly contest the validity of our ownership of the Proprietary Marks, our right to use and to license others to use the Proprietary Marks, or seek to (or actually do) register any of our Proprietary Marks with any agency (public or private) for any purpose without our prior written consent to do so.

17.3 *With Notice and Opportunity to Cure*.

17.3.1 Except as otherwise provided above in Sections 17.1 and 17.2 above, if you are in default of your obligations under this Agreement, then we may terminate this Agreement by giving you written notice of termination (in the manner provided under Section 24 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that you may avoid termination by: **(a)** immediately initiating a remedy to cure such default; **(b)** curing the default to our satisfaction; and **(c)** promptly providing proof of the cure to us, all within the thirty (30) day period. If you do not cure any such default within the specified time (or such longer period as applicable law may require), then this Agreement will terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require).

17.3.2 If you are in default under the terms of any other franchise agreement or other contract between you (and/or your affiliates) and us (and/or our affiliates), that will also constitute a default under Section 17.3.1 above.

17.4 *Bankruptcy*. If, for any reason, this Agreement is not terminated pursuant to this Section 17, and this Agreement is assumed, or assignment of this Agreement to any person or entity who has made a *bona fide* offer to accept an assignment of this Agreement is contemplated, pursuant to the U.S. Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: **(a)** the name and address of the proposed assignee; and **(b)** all of the terms and conditions of the proposed assignment and assumption; must be given to us within twenty (20) days after receipt of such proposed assignee's offer to accept assignment or assumption of the Agreement; and, in any event, within ten (10) days before the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption. We will then have the prior right and option, to be exercised by notice given at any time before the effective date of such proposed assignment and assumption, to accept to our company (that is, to Franchisor) an assignment of the Agreement on the same terms and conditions, and for the same consideration, if any, as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions that may be payable by you out of the consideration to be paid by such assignee for the assignment or assumption of this Agreement.

17.5 *Our Rights Instead of Termination*. If we are entitled to terminate this Agreement in accordance with Sections 17.2 or 17.3 above, we will also have the right to take any lesser action instead of terminating this Agreement (subject to Section 17.6 below).

17.6 *Reservation of Rights under Section 17.5*. If any rights, options, arrangements, or areas are terminated or modified in accordance with Section 17.5 above, such action will be without prejudice to our other rights under law and also our right to terminate this Agreement in accordance with Sections 17.2 or 17.3 above, and/or to terminate any other rights, options, or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

17.7 *Damages*. You agree to pay us all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses), that we incur as a result of any default by you under this Agreement and under any other agreement between the parties (and their respective affiliates) (in addition to other remedies that we may have).

18 OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to you will forthwith terminate, and all of the following will take effect (except to the extent otherwise permitted under a separate valid franchise agreement between you and/or one of your affiliates and us):

18.1 *Cease Operation*. You agree to: **(a)** immediately and permanently stop operating the Franchised Business; and **(b)** never directly or indirectly represent to the public that you are a present or former franchisee of ours.

18.2 *Stop Using Marks and Intellectual Property*. You agree to immediately and permanently stop making use, in any manner whatsoever, of any aspect of the System (including any confidential methods, procedures and techniques associated with the System), our Proprietary Marks (including any former Proprietary Marks, distinctive forms, slogans, signs, symbols, and devices associated with the System), and any and all other intellectual property associated with the System. Without limiting the above, you agree to stop making any further use of any and all signs, printed and/or digital marketing materials, displays, stationery, forms, and any other articles that display the Proprietary Marks.

18.3 *Cancel Assumed Names*. You agree to take such action as may be necessary to cancel any assumed name or equivalent registration that contains the mark "PickleRage", any other Proprietary Marks, and/or any other service mark or trademark of ours. You also agree to provide us evidence that we deem satisfactory to provide that you have complied with the obligations of this Section 18.3 within five (5) days after termination or expiration of this Agreement.

18.4 *Premises*. We will have the right (but not the obligation) to require you to assign to us any interest that you (and/or your affiliates) may have in the lease or sublease for the ground upon which the Facility is operated and/or for the building in which the Facility is operated.

18.4.1 If we do not elect or if we are unable to exercise any option we may have to acquire the lease or sublease for the premises of the Franchised Business, or otherwise acquire the right to occupy the premises, then you agree to: **(a)** make such modifications or alterations to the premises operated under this Agreement (including, the changing of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said premises from that of other Facilities; **(b)** must make such specific additional changes thereto as we may reasonably request for that purpose; and **(c)** provide to us within fifteen (15) days after termination or expiration of this Agreement with photographic proof and other evidence, in such form as we may reasonably request, that you have done all of the above acts and things.

18.4.2 In addition, you agree to immediately stop use of (and transfer to us) all telephone numbers and any domain names, websites, e-mail addresses, social media/network names, and any other print and online identifiers (together, "**Identifiers**"), whether or not authorized by us, that you have used (or that you have authorized others to use) while operating the Franchised Business, and you must promptly sign such documents or take such steps as necessary to remove reference to the Franchised Business from all trade or business directories, including online directories, or at our request transfer same to us.

18.4.3 You agree that whether or not we exercise our rights under Section 18.4.4 below, you will be responsible for any other party's use of the premises and/or any of the Identifiers if you do not comply with all of the requirements of this Section 18.4.

18.4.4 If you fail or refuse to comply with all of the requirements of this Section 18.4, then we (or our designee) will have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at your cost, which expense you agree to pay upon demand.

18.5 *Our Option to Buy Your Assets*. We will have the right (but not the obligation), which we may exercise at any time within thirty (30) days after expiration, termination, or default under this Agreement and/or default under your lease/sublease for the premises, to buy from you (and/or your affiliates) any or all of your furnishings, equipment, signs, fixtures, supplies, or inventory related to the operation of the Franchised Business (the "**Operating Assets**"), at the lesser of your cost or fair market value. The parties agree that "fair market value" will be determined based upon a five (5) year straight-line depreciation of original costs. For equipment and fixtures that are five (5) or more years old, the parties agree that fair market value is deemed to be ten percent (10%) of the equipment's original cost. We also have the right to require that you return to us, at our cost, any signage that we specify. If we elect to exercise any option to purchase the Operating Assets as provided above, then we will have the right to set off all amounts due from you. You also agree that you will pay off and liquidate all liens against the Operating Assets before we exercise our right to take the assignment as specified above.

18.6 *No Use of the Marks in Other Businesses*. You agree, if you continue to operate or subsequently begin to operate any other business, that you will not use any reproduction, counterfeit copy, and/or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Proprietary Marks. You further agree not to use, in any manner whatsoever, any designation of origin, description, trademark, service mark, or representation that suggests or implies a past or present association or connection with us, the System, the equipment, and/or the Proprietary Marks.

18.7 *Pay All Sums Due*. You agree to promptly pay all sums owing to us and our affiliates (regardless of whether those obligations arise under this Agreement or otherwise). In the event of termination for any of your defaults, those sums will include all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses), that we incur as a result of the default.

18.8 *Pay Damages*. You agree to pay us all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur as a result of your default under this Agreement and/or subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 18, which will be in addition to amounts due to us under Section 18.11 below.

18.9 *Return Confidential Information*. You agree to immediately return to us the Brand Standards Manual and all other manuals, records, and instructions containing confidential information (including, any copies of some or all of those items, even if such copies were made in violation of this Agreement), all of which are acknowledged to be our property.

18.10 *Right to Enter and Continue Operations*. In order to preserve the goodwill of the System following termination, we (or our designee) will have the right to enter the Franchised Business

(without liability to you, your Principals, or otherwise) for the purpose of continuing the Franchised Business's operation and maintaining the goodwill of the business.

18.11 *Liquidated Damages – Default and Termination of Franchise*. In the event this Agreement is terminated due to your default, you agree to pay us a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to (A) (a) the average monthly Royalty Fee and Marketing Contribution payable by you over the twelve (12) month period immediately prior to the date of default (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) twenty-four (24) or (ii) the number of months then remaining in the then-current term of this Agreement OR (B) Fifty Thousand Dollars ($50,000), whichever is greater. You acknowledge that a precise calculation of the full extent of the lost Royalties and Marketing Contributions we will incur in the event of termination of this Agreement as a result of your default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by you pursuant to this Section 18.11 shall be in addition to all other amounts payable under this Agreement and shall not affect our right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.12 *Our Rights.* You agree not to do anything that would potentially interfere with or impede the exercise of our rights under this Section 18.

18.13 *Offsets*. We have the right to offset amounts that you owe to us against any payment that we may be required to make under this Agreement.

19 COVENANTS

19.1 *Full Time Efforts*. You agree that during the term of this Agreement, except as we have otherwise approved in writing, you (or the Operating Principal and/or General Manager) will devote full time, energy, and best efforts to the management and operation of the Franchised Business.

19.2 *Understandings*.

19.2.1 You agree that: **(a)** pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and Confidential Information from us and our affiliates regarding the development, operation, management, purchasing, sales and marketing methods and techniques of the System; **(b)** the System and the opportunities, associations and experience we have established and that you will have access to under this Agreement are of substantial and material value; **(c)** in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; **(d)** we would be unable to adequately protect the System and its trade secrets and Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among franchisees in our System if franchisees were permitted to hold interests in Competitive Businesses (as defined below); and **(e)** restrictions on your right to hold interests in, or perform services for, Competitive Businesses will not unreasonably or unnecessarily hinder your activities.

19.2.2 As used in this Section 19, the term "**Competitive Business**" is agreed to mean any business: **(a)** that is the same as or similar to the overall presentation of a "PickleRage" Facility; **(b)** whose offering of facilities to play "pickleball" and/or for "pickleball" training

accounts for more than twenty percent (20%) of its total offerings and/or total revenue in any of the trailing twelve (12) calendar months.

19.3 *Covenant Not to Compete or Engage in Injurious Conduct.* Accordingly, you covenant and agree that, during the term of this Agreement and for a continuous period of two (2) years after the expiration or termination of this Agreement, and/or a transfer as contemplated in Section 16 above, you will not in any manner whatsoever (including directly, indirectly, for yourself, and/or through, on behalf of, or in conjunction with any party) do any of the following:

19.3.1 Divert or attempt to divert any actual or potential business or customer of any Facility to any competitor or otherwise take any action injurious or prejudicial to the goodwill associated with the Marks and the System.

19.3.2 Own, maintain, develop, operate, engage in, assist, franchise or license, make loans to, lease real or personal property to, and/or have any whatsoever interest in, or render services or give advice to, any Competitive Business.

19.4 *Where Restrictions Apply*. During the term of this Agreement, there is no geographical limitation on the restrictions set forth in Section 19.3 above. During the two-year period following the expiration or earlier termination of this Agreement and/or a transfer as contemplated under Section 16 above, these restrictions will apply only **(a)** at the Accepted Location; **(b)** within five (5) miles of the Accepted Location; and **(c)** within five (5) miles of any other "PickleRage" Facility that is then-currently operated or planned elsewhere in the United States. These restrictions will not apply to businesses that you operate that we (or our affiliates) have franchised to you (or your affiliates) pursuant to a valid franchise agreement with us or one of our affiliates.

19.5 *Post-Term*. You further covenant and agree that, for a continuous period of two (2) years after **(a)** the expiration of this Agreement, **(b)** the termination of this Agreement, and/or **(c)** a transfer as contemplated in Section 16 above:

19.5.1 You will not directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease, and/or transfer the Accepted Location to any person, firm, partnership, corporation, or other entity that you know, or have reason to know, intends to operate a Competitive Business at the Accepted Location; and

19.5.2 You also agree that, by the terms of any conveyance, selling, assigning, leasing, or transferring your interest in the Accepted Location, you shall include these restrictive covenants as necessary to ensure that a Competitive Business that would violate this Section is not operated at the Accepted Location for this two-year period, and you will take all steps necessary to ensure that these restrictive covenants become a matter of public record.

19.6 *Non-Compliance*. You agree that any period of time during which you do not comply with the requirements of this Section 19 (whether that non-compliance takes place after termination, expiration, and/or a transfer) will not be credited toward satisfying the total two-year requirement specified above (and that it will be your responsibility to complete the total two-year obligation).

19.7 *Publicly-Held Entities*. Section 19.3.3 above will not apply to your ownership of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held entity.

As used in this Agreement, the term "**publicly-held entity**" means an entity that has securities that are registered under the Securities Exchange Act of 1934.

19.8 *Construction*. The parties agree that each of the covenants in this Section 19 will be construed as independent of any other covenant or provision of this Agreement. We have the right to reduce the scope of any covenant set out in this Section 19 and, if we do so, you agree to comply with the obligations as we have reduced them.

19.9 *Claims Not a Defense*. You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants in this Section 19. You agree to pay all costs and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in connection with the enforcement of this Section 19.

19.10 *Injunctive Relief*. Franchisee and Principal(s) acknowledge that a violation of the covenants of confidentiality and non-competition contained in this Agreement would result in immediate and irreparable injury to Franchisor for which monetary damages cannot fully remedy. Accordingly, Franchisee and Principal(s) hereby consent to the entry of a temporary and permanent injunction prohibiting any conduct by Franchisee or Principal(s) in violation of the terms of the covenants set forth in this Article 19 and hereby agree to waive any and all defenses to the entry of such injunction(s). Notwithstanding, Franchisee and Principal(s) acknowledge and agree that the foregoing injunctive relief is in addition to, and does not restrict Franchisor from pursuing, any and all claims for monetary damages resulting from a breach by Franchisee or Principal(s) of the covenants contained herein.

19.11 *Liquidated Damages – Violation of Confidentiality or Non-Competition Covenants.* In the event Franchisee and/or Principal(s) violate the covenants of confidentiality and/or non-competition set forth herein, Franchisee and/or Principal(s) shall pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) an amount equal to One Hundred Thousand Dollars ($100,000.00), plus Franchisor's attorney's fees, for each such violation. Franchisee and Principal(s) acknowledge that a precise calculation of the full extent of the damages that Franchisor will incur in the event of Franchisee's and/or Principal(s)' violation of the covenants of confidentiality and/or non-competition is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 19.11 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision hereof.

19.12 *Covenant as to Anti-Terrorism Laws*. You and the owners of your business ("**Owners**") agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and the Owners certify, represent, and warrant that none of their respective property or interests are "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of the Owners are in violation of any of the Anti-Terrorism Laws. You also agree not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. The term "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, as supplemented, the USA PATRIOT Act, and all other laws and regulations addressing or relating to terrorist acts and/or acts of war.

19.13 *Defaults*. You agree that if you violate this Section 19, that will result in irreparable injury to us for which no adequate remedy at law may be available, and accordingly, you consent to the issuance of an injunction prohibiting any conduct in violation of the terms of this Section 19.

20 TAXES, PERMITS, AND INDEBTEDNESS

20.1 *Payment of Taxes*. You agree to promptly pay when due all taxes levied or assessed, including, unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the conduct of the business franchised under this Agreement. You agree to pay us an amount equal to any sales tax, gross receipts tax, or similar tax imposed on us with respect to any payments that you make to us as required under this Agreement, unless the tax is credited against income tax that we otherwise pay to a state or federal authority.

20.2 *Payment of Trade Creditors*. You agree to promptly pay when due all trade creditors and vendors (including any that are affiliated with us) that supply goods or services to you and/or the Franchised Business (including for example the landlord for the premises of your Facility). If you do not pay your vendors on time and in full, then we will have the right (but not the obligation) to make payments to those vendors on your behalf, and, if we do so, you agree to reimburse us on demand for those payments plus our reasonable expenses. We will have the right to collect these funds using the methods specified in Section 4.3.2 above.

20.3 *Your Right to Contest Liabilities*. If there is a bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event will you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business, or any improvements thereon.

20.4 *Compliance with Law*. You agree to comply with all Operating Codes and to timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, licenses to do business, health certificates, fictitious name registrations, sales tax permits, and fire clearances. To the extent that the requirements of any Operating Codes are in conflict with the terms of this Agreement, the Brand Standards Manual, or our other instructions, you agree to: **(a)** comply with said laws; **(b)** immediately provide us with written notice describing the nature of the conflict; and **(c)** cooperate with us and our counsel in developing a way to comply with the terms of this Agreement, as well as applicable law, to the extent that it is possible to do so.

20.5 *Notice of Violations and Actions*. You agree to notify us in writing within two (2) days after you receive notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or within two (2) days occurrence of any accident or injury which may adversely affect the operation of the Franchised Business or your financial condition, or give rise to liability or a claim against either party to this Agreement.

21 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 *Independent Contractor Relationship.* The parties agree that:

21.1.1 this Agreement does not create a fiduciary relationship between them;

21.1.2 you are the only party that will be in day-to-day control of your franchised business, even though we will share the brand and Proprietary Marks as specified in this Agreement, and neither this Agreement nor any of the systems, guidance, computer programs, processes, or requirements under which you operate alter that basic fact;

21.1.3 nothing in this Agreement and nothing in our course of conduct is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever; and

21.1.4 neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa.

21.2 *Notice of Status*. At all times during the term of this Agreement and any extensions hereof, you will hold yourself out as an independent contractor operating the business pursuant to a franchise from us both to the public and also to your staff. You agree to take such action as may be necessary to do so, including exhibiting a notice of that fact in conspicuous places at the Accepted Location, the content and placement of which we reserve the right to specify in the Brand Standards Manual or otherwise.

21.3 *No Contracts in our Name*. It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and that we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action; nor will we be liable by reason of any act or omission in your conduct of the Franchised Business or for any claim or judgment arising therefrom against either party to this Agreement.

21.4 *Indemnification*.

21.4.1 You agree to indemnify, defend, and hold harmless each of the Franchisor Parties harmless against any and all Expenses arising directly or indirectly from any Claim, as well as from any claimed breach by you of this Agreement. Your indemnity obligations shall: **(a)** survive the expiration or termination of this Agreement, and shall not be affected by any insurance coverage that you and/or any Franchisor Party may maintain; and **(b)** exclude any Claim and/or Expense that a court with competent jurisdiction determines was caused solely by a Franchisor Party's gross negligence and/or willful misconduct.

21.4.2 *Procedure*. We will give you notice of any Claim and/or Expense for which the Franchisor Parties intend to seek indemnification; however, if we do not give that notice, it will not relieve you of any obligation (except to the extent of any actual prejudice to you). You will have the opportunity to assume the defense of the Claim, at your expense and through legal counsel reasonably acceptable to us, provided that in our judgment, you proceed in good faith, expeditiously, and diligently, and that the defense you undertake does not jeopardize any defenses of the Franchisor Parties. We shall have the right: **(a)** to participate in any defense that you undertake with

counsel of our own choosing, at our expense; and **(b)** to undertake, direct, and control the defense and settlement of the Claim (at your expense) if in our sole judgment you fail to properly and competently assume defense of the Claim within a reasonable time and/or if, in our sole judgment, there would be a conflict of interest between your interest and that of any Franchisor Party.

21.4.3 *Definitions*. As used in this Section 21.4, the parties agree that the following terms will have the following meanings:

21.4.3.1 "**Claim**" means any allegation, cause of action, and or complaint asserted by a third party that is the result of, or in connection with, your exercise of your rights and/or carrying out of your obligations under this Agreement (including any claim associated with your operation of the Facility, sale of Products or Services, events occurring at the Facility, data theft or other data-related event, or otherwise, whether asserted by a customer, vendor, employee, or otherwise), a violation of any Operating Code, and/or any default by you under this Agreement (including all claims, demands, causes of action, suits, damages, settlement costs, liabilities, fines, penalties, assessments, judgments, losses, and Expenses). For the sake of clarify, the parties confirm that the indemnification obligations under Sections 9.2.9.2(b) and 16.11.2 are included within this definition of a Claim.

21.4.3.2 "**Expenses**" includes interest charges; fees for accountants, attorneys and their staff, arbitrators, and expert witnesses; costs of investigation and proof of facts; court costs; travel and living expenses; and other costs and expenses associated with litigation, investigative hearings, or alternative dispute resolution, whether or not a proceeding is formally commenced.

21.4.3.3 "**Franchisor Parties**" means us and our shareholders, parents, subsidiaries, and affiliates, and their respective officers, directors, members, managers, agents, and employees.

21.4.4 We agree to indemnify you with respect to your use of the Proprietary Marks as provided in Section 9.2.9.2(a) above.

22 FORCE MAJEURE

22.1 *Impact*. Neither party will be responsible to the other for non-performance or delay in performance occasioned by causes reasonably beyond its control (except as otherwise provided in Section 22.1), including: **(a)** acts of nature; **(b)** acts of war, terrorism, or insurrection; **(c)** public health emergencies, epidemics, pandemics, hurricanes, tornadoes, environmental emergencies, strikes, lockouts, labor actions, boycotts, floods, fires, and/or other casualties; and/or **(d)** our inability (and that of our affiliates and/or suppliers) to manufacture, purchase, and/or cause delivery of any services or products used in the operation of the Franchised Business. You agree to abide by any brand standards that we may establish in connection with continuing to operate, reopening, and other matters relating to operations that are impacted by a force majeure event. The inability of either party to obtain and/or remit funds will be considered within control of such party for the purpose of this Section 22.1.

22.2 *Delays*. If any such delay occurs, any applicable time period will be automatically extended for a period equal to the time lost; provided, however, that the party affected makes reasonable

efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay; and further provided, however, that you will remain obligated to promptly pay all fees owing and due to us under this Agreement, without any such delay or extension.

23 APPROVALS AND WAIVERS

23.1 *Request for Approval*. Whenever this Agreement requires our prior approval, acceptance, and/or consent, you agree to make a timely written request to us therefor, and in each instance, our approval, acceptance, or consent will be valid only if it is provided in writing.

23.2 *No Warranties or Guarantees*. You agree that we make no warranties or guarantees upon which you may rely, and that we assume no liability or obligation to you, by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

23.3 *No Waivers*. The parties agree that: **(a)** no delay, waiver, omission, or forbearance on our part to exercise any right, option, duty, or power arising out of any breach or default by you or any other franchisee under any of the terms, provisions, covenants, or conditions of this Agreement; **(b)** no custom or practice by the parties at variance with the terms of this Agreement, will constitute our waiver of our right to enforce any such right, option, duty, or power as against you, or as to subsequent breach or default by you; **(c)** if we accept late payments from you or any payments due, that will not be deemed to be our waiver of any earlier or later breach by you of any terms, provisions, covenants, or conditions of this Agreement; and **(d)** no course of dealings or course of conduct will be effective to amend the terms of this Agreement.

24 NOTICES

24.1 Any and all notices required or permitted under this Agreement must be in writing and must be personally delivered, sent by certified U.S. mail, or by other means that provides the sender with evidence of delivery, rejected delivery, and/or attempted delivery. Any notice by a means that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

24.2 Notices shall be sent to the address designated on the signature page of this Agreement (unless a party changes its address for those notices by giving prior written notice to the other party in the manner specified above). If the parties have designated a specific e-mail address, then notices sent to that e-mail address (which may be changed as noted above) will be considered as having been sent at the time they are delivered into that e-mail address.

24.3 The Brand Standards Manual, any changes that we make to the Brand Standards Manual, and/or any other written instructions that we provide relating to operational matters, are not considered to be “notices” for the purpose of the delivery requirements in this Section 24.

25 ENTIRE AGREEMENT AND AMENDMENT

25.1 *Entire Agreement*. This Agreement and the exhibits referred to in this Agreement constitute the entire, full, and complete Agreement between the parties to this Agreement concerning the subject matter hereof, and supersede all prior agreements, communications, statements, and representations. The parties confirm that: **(a)** they were not induced by any representations other than the words of this Agreement (and the FDD) before deciding whether to sign this

Agreement; and **(b)** they relied only on the words printed in this Agreement in deciding whether to enter into this Agreement. If this Agreement is to renew a previous term for your franchise, then the renewal provisions in Section 2.2 of this Agreement and the other provisions relating to the establishment of a new Franchised Business will not apply in the renewal term. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the representations made in the franchise disclosure document.

25.2 *No Disclaimers or Waivers*. Nothing in this Agreement, any other contract, and/or our FDD is meant to (nor shall those documents have the effect of): **(a)** disclaiming any representation contained within our FDD; and/or **(b)** requiring you to waive any provision of state franchise laws that apply to you. The term "**FDD**" means our Franchise Disclosure Document (including its exhibits).

25.3 *Amendment*. Except for those changes that we are permitted to make unilaterally under this Agreement, no amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

26 SEVERABILITY AND CONSTRUCTION

26.1 *Introductory Paragraphs*. The parties agree that the introductory paragraphs of this Agreement, under the heading "Introduction," are accurate, and incorporated into the text of this Agreement as if they were printed here in full.

26.2 *Severability*. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term, and/or provision of this Agreement will be considered severable; and if, for any reason, any portion, section, part, term, and/or provision in this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter will continue to be given full force and effect and bind the parties to this Agreement; and said invalid portions, sections, parts, terms, and/or provisions will be deemed not to be a part of this Agreement.

26.3 *No Third-Party Rights*. Except as expressly provided to the contrary, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than you, we, and such of our respective successors and assigns as may be contemplated (and, as to you, permitted) by Section 16.4 above, any rights or remedies under or by reason of this Agreement.

26.4 *Captions Don't Amend Terms*. All captions in this Agreement are intended solely for the convenience of the parties, and no caption will be deemed to affect the meaning or construction of any provision hereof.

26.5 *Including*. The parties agree that when the terms "include", "includes", and "including" are used in this Agreement, those terms shall be understood to mean "*including but not limited to*".

26.6 *Survival*. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, will so survive the expiration and/or termination of this Agreement.

26.7 *Expenses*. Each party agrees to bear all of the costs of exercising its rights and carrying out its responsibilities under this Agreement, except as otherwise provided.

26.8 *Counterparts*. This Agreement may be signed in counterparts, and signature pages may be exchanged by electronic means, each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, will be considered as one complete Agreement.

27 APPLICABLE LAW AND DISPUTE RESOLUTION

27.1 *Choice of Law*. This Agreement takes effect when we accept and sign this document. This Agreement will be interpreted and construed exclusively under the laws of the State of Florida, which laws will prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Florida choice-of-law rules); provided, however, that if the covenants in Section 19 of this Agreement would not be enforced as written under Florida law, then the parties agree that those covenants will instead be interpreted and construed under the laws of the state in which the Franchised Business is located. Nothing in this Section 27.1 is intended by the parties to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of law of the State of Florida (or any other state) that would not otherwise apply if the words in this Section 27.1 were not included in this Agreement.

27.2 *Choice of Venue.* Subject to Section 27.3 below, the parties agree that any action that you bring against us, in any court, whether federal or state, must be brought only within the courts that have jurisdiction over Broward County, Florida. Any action that we bring against you in any court, whether federal or state, may be brought within the state and judicial district in which we maintain our principal place of business.

27.2.1 The parties agree that this Section 27.2 will not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue will be as set forth above.

27.2.2 The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

27.2.3 Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action.

27.3 *Mediation*. Before any party may bring an action in court against the other, the parties agree that they must first meet to mediate the dispute (except as otherwise provided in Section 27.5 below). Any such mediation will be non-binding and will be conducted in accordance with the then-current rules for mediation of commercial disputes of JAMS, Inc. (formerly, “Judicial Arbitration and Mediation Services, Inc.”) at its location in or nearest to Broward County, Florida.

27.4 *Parties Rights Are Cumulative*. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

27.5 *Injunctions*. Nothing contained in this Agreement will bar our right to obtain injunctive relief in a court of competent jurisdiction against threatened conduct that will cause us loss or

damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

27.6 ***WAIVER OF JURY TRIALS.*** EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

27.7 ***MUST BRING CLAIMS WITHIN ONE YEAR.*** EACH PARTY TO THIS AGREEMENT AGREES THAT ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, AND/OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER (EXCLUDING CLAIMS SEEKING INDEMNIFICATION), SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR, IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES, SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED.

27.8 ***WAIVER OF PUNITIVE DAMAGES.*** EACH PARTY TO THIS AGREEMENT HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES IT HAS SUSTAINED (HOWEVER, THIS CLAUSE SHALL NOT APPLY TO A CLAIM FOR LOST FUTURE ROYALTIES UNDER SECTION 18.11 ABOVE).

27.9 *Payment of Legal Fees*. You agree to pay us all damages, costs and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in: **(a)** obtaining injunctive or other relief for the enforcement of any provisions of this Agreement (including Sections 9 and 17 above); and/or **(b)** successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.

28 ACKNOWLEDGMENTS

28.1 *No Disclaimers or Waivers*. Nothing in this Agreement is meant nor may it be construed to be: (**a**) a waiver of any statutory right that you have under applicable state franchise laws and/or the regulations issued pursuant to those laws; and/or (**b**) a disclaimer of any statement that we have made in our FDD.

28.2 *Your Investigation of the Facility Possibilities.* We have recommended that you conduct an independent investigation of the business franchised under this Agreement.

28.3 *No Warranties or Guarantees.* We do not make (and do not permit anyone speaking on our behalf) to make any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business contemplated by this Agreement.

28.4 *Your Advisors.* We recommended that you seek advice from advisors of your own choosing (including a lawyer and an accountant) about the potential benefits and risks of entering into this Agreement.

28.5 *No Conflicting Obligations.* Each party represents and warrants to the other party that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict that party from: **(a)** negotiating and entering into this Agreement;

(b) exercising its rights under this Agreement; and/or **(c)** fulfilling its obligations and responsibilities under this Agreement.

28.6 *Your Responsibility for the Choice of the Accepted Location.* You agree that you have sole and complete responsibility for the choice of the Accepted Location; that we have not (and will not be deemed to have, even by our requirement that you use a location service and/or our approval of the site that is the Accepted Location) given any representation, promise, or guarantee of your success at the Accepted Location; and that you will be solely responsible for your own success at the Accepted Location.

28.7 *Your Responsibility for Operation of the Franchised Business.* Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of your franchised Facility, you have and will retain the right and sole responsibility for the day-to-day management and operation of the Franchised Business and the implementation and maintenance of system standards at the Franchised Business.

28.8 *Different Franchise Offerings to Others.* We may modify the terms under which we offer franchises to other parties (which may differ from the terms, conditions, and obligations in this Agreement).

28.9 *Our Advice*. You agree that our advice is only that; that our advice is not a guarantee of success; and that you must reach and implement your own decisions about how to operate your Franchised Business on a day-to-day basis under the System.

28.10 *Your Independence*. You agree that:

28.10.1 you are the only party that employs your staff (even though we may provide you with advice, guidance, and training);

28.10.2 we are not your employer nor are we the employer of any of your staff, and even if we express an opinion or provide advice, we will play no role in your decisions regarding their employment (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal);

28.10.3 the guidance that we provide, and requirements under which you will operate, are intended to promote and protect the value of the brand and the Proprietary Marks;

28.10.4 when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement our standards for your business (including our System and the requirements under this Agreement); and

28.10.5 you have made (and will remain always responsible for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including adopting our standards as your standards), and hiring employees and employment matters (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal), engaging professional advisors, and all other facets of your operation.

28.11 *General Release*. If this Agreement is not the first contract between you (and your affiliates) and us (and our affiliates), then you agree to the following:

*You (on behalf of yourself and your parent, subsidiaries and affiliates and their respective past and present members, officers, directors, members, managers, shareholders, agents and employees, in their corporate and individual capacities) and all guarantors of your obligations under this Agreement (collectively, "**Releasors**") freely and without any influence forever release (and covenant not to sue) us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "**Releasees**"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "**claims**"), which any Releasor now owns or holds or may at any time have owned or held, including, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any Releasee, the sale of any franchise to any Releasor, the development and operation of the Facilities and the development and operation of all other businesses operated by any Releasor that are franchised by any Releasee. You understand as well that you may later learn of new or different facts, but still, it is your intention to fully, finally, and forever release all of the claims that are released above. This includes your waiver of state laws that may otherwise limit a release (for example, Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."). You agree that fair consideration has been given by us for this General Release and you fully understand that this is a negotiated, complete, and final release of all claims. This General Release does not release any claims arising from representations made in our Franchise Disclosure Document and its exhibits or otherwise affect any claims arising after the date of this Agreement.*

*****

IN WITNESS WHEREOF, intending to be legally bound by this Agreement, the parties have duly signed and delivered this Agreement as of the Effective Date (as written below).

PickleRage Franchise LLC
Franchisor

By:_____

Name:_____

Title:_____

Effective Date:_____

_____
Franchisee Entity

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Address for Notices:
PickleRage Franchise LLC
1000 5th Street, Suite 100
Miami Beach, FL 33139
Telephone: _____
Attn:_____
E-mail:_____

Address for Notices:

_____
_____
Telephone:_____
Attn:_____
E-mail:_____

PickleRage Franchise LLC
FRANCHISE AGREEMENT
EXHIBIT A
DATA SHEET

¶	Section Cross-Reference	Item
1	1.2	The Accepted Location under this Agreement (subject to Section 1.2 above) will be: _____ _____.
2	1.3	The Protected Area this Agreement (subject to Section 1.3 above) shall be: ☐ _____ _____ … or … ☐ A circle with a radius of _____ miles having its center at the front door of the Facility (but excluding areas on the distal side of a state border and/or a natural boundary, such as a river).
3	13.2.6	Your minimum expenditure for the Grand Opening Marketing Program will be _____ Thousand Dollars ($_____).

Initials

_____ Franchisee

_____ Franchisor

PickleRage Franchise LLC
FRANCHISE AGREEMENT
EXHIBIT B
GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

To induce PickleRage Franchise LLC ("**Franchisor**") to sign the "PickleRage" Franchise Agreement between Franchisor and _____("**Franchisee**"), dated _____, 202__(the "**Agreement**"), each of the undersigned parties, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee's obligations (monetary and otherwise) under the Agreement as well as any other contract between Franchisee and Franchisor (and/or Franchisor's affiliates) will be punctually paid and performed.

Each person signing this Personal Guarantee acknowledges and agrees, jointly and severally, that:

- Upon Franchisor's demand, s/he will immediately make each payment required of Franchisee under the Agreement and/or any other contract (including another franchise agreement) with Franchisor and/or its affiliates.

- S/he waives any right to require Franchisor to: **(a)** proceed against Franchisee for any payment required under the Agreement (and/or any other contract with Franchisor and/or its affiliates); **(b)** proceed against or exhaust any security from Franchisee; **(c)** pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; and/or **(d)** give notice of demand for payment by Franchisee.

- Without affecting the obligations of the undersigned persons under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. Each of the undersigned persons waive notice of amendment of the Agreement (and any other contract with Franchisor and Franchisor's affiliates) and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Agreement (and any other contract with Franchisor and Franchisor's affiliates).

- S/he will defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement (and any other contract with Franchisor and Franchisor's affiliates) and/or any amendment to the Agreement.

- S/he will be personally bound by all of Franchisee's covenants, obligations, and promises in the Agreement.

- S/he agrees to be personally bound by all of Franchisee's covenants, obligations, and promises in the Agreement, which include, but are not limited to, the covenants in the following Sections of the Agreement: **Section 9.3** (generally regarding trademarks), **Section 11** (generally regarding confidentiality), **Section 16** (generally regarding Transfers), **Section 18** (generally regarding obligations upon termination or expiration of this Agreement), and **Section 19** (generally regarding covenants against competition) of the Agreement.

- S/he understands that: **(a)** this Guarantee does not grant her/him any rights under the Agreement (including but not limited to the right to use any of Franchisor's marks, such as "PickleRage") or the system licensed to Franchisee under the Agreement; **(b)** s/he have read,

in full, and understands, all of the provisions of the Agreement that are referred to above in this paragraph, and that s/he intends to fully comply with those provisions of the Agreement as if they were printed here in full; and **(c)** s/he have had the opportunity to consult with a lawyer of her/his own choosing in deciding whether to sign this Guarantee.

This Guarantee will be interpreted and construed in accordance with **Section 27** of the Agreement (including but not limited to the waiver of punitive damages, waiver of jury trial, agreement to bring claims within one year, and agreement not to engage in class or common actions). Among other things, that means that this Guarantee will be interpreted and construed exclusively under the laws of the State of Florida, and that in the event of any conflict of law, Florida law will prevail (without applying Florida conflict of law rules). Nothing in this clause is intended to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of law of the State of Florida (or any other state) that would not otherwise apply if the words in this paragraph were not included here.

IN WITNESS WHEREOF, each of the undersigned persons has signed this Guarantee as of the date of the Agreement.

_____	_____	_____
(signed in his/her personal capacity)	(signed in his/her personal capacity)	(signed in his/her personal capacity)
Printed Name:_____	Printed Name:_____	Printed Name:_____
Date:_____	Date:_____	Date:_____
Home Address:	Home Address:	Home Address:
_____	_____	_____
_____	_____	_____

PickleRage Franchise LLC
FRANCHISE AGREEMENT
EXHIBIT C
LIST OF PRINCIPALS

Name of Principal	**Home Address**	**Percentage Interest Held in Franchisee**

Initials

Franchisee

Franchisor

PickleRage Franchise LLC
FRANCHISE AGREEMENT
EXHIBIT D

AUTHORIZATION AGREEMENT FOR ACH PAYMENTS
(DIRECT DEBITS FOR ROYALTY, MARKETING CONTRIBUTION, AND OTHER FEES)

_____ (Name of Person or Legal Entity)

_____ (Tax ID Number (FEIN))

The undersigned depositor ("**Depositor**" or "**Franchisee**") hereby authorizes PickleRage Franchise LLC ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**" or "**Bank**") to debit or credit such account(s) pursuant to our instructions.

_____	_____
Depository/Bank Name	Branch Name

_____	_____	_____
City	State	Zip Code

_____	_____
Bank Transit/ABA Number	Account Number

This authorization is to remain in full and force and effect until sixty (60) days after we have received written notification from Franchisee of its termination.

Printed Name of Depositor: _____

Signed By: _____

Printed Name: _____

Title: _____

Date: _____

PickleRage Franchise LLC
FRANCHISE AGREEMENT

EXHIBIT E
ADA CERTIFICATION

PickleRage Franchise LLC ("**Franchisor**" or "**us**") and _____("**Franchisee**" or "**you**") are parties to a franchise agreement dated _____, 202___ (the "**Franchise Agreement**") for the operation of a Franchised Business at (the "**Franchised Business**").

- In accordance with Section 5.6.2 of the Franchise Agreement, you certify to us that, to the best of your knowledge, the Franchised Business and its adjacent areas comply with all applicable federal, state, and local accessibility laws, statutes, codes, rules, regulations, and standards, including but not limited to the Americans with Disabilities Act.

- You acknowledge that you are an independent contractor and the requirement of this certification by Franchisor does not constitute ownership, control, leasing, or operation of the Franchised Business.

- You acknowledge that we have relied on the information contained in this certification.

- You agree to indemnify us and our officers, directors, members, managers, shareholders, and employees in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with your compliance with the Americans with Disabilities Act, as well as the costs (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) related to the same.

Acknowledged and Agreed:

_____
Franchisee:

By:_____

Printed Name:_____

Title:_____

PickleRage Franchise LLC
FRANCHISE AGREEMENT
EXHIBIT F-1

SAMPLE FORM OF
NON-DISCLOSURE AGREEMENT

(to be adapted by Franchisee for signature by the franchisee and its staff)

THIS NON-DISCLOSURE AGREEMENT ("**Agreement**") is made on _____, 202___, by and between _____ (the "**Franchisee**") and _____, who works for the Franchisee (the "**Staff Member**").

Background:

*A. PickleRage Franchise LLC ("**Franchisor**") owns a format and system (the "**System**") relating to the establishment and operation of "PickleRage" businesses in structures that bear Franchisor's interior and exterior trade dress, and under its Proprietary Marks, as defined below (each, a "**Facility**").*

*B. Franchisor identifies "PickleRage" Facilities by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin (including for example the mark "PickleRage") and certain other trade names, service marks, and trademarks that Franchisor currently and may in the future designate in writing for use in connection with the System (the "**Proprietary Marks**").*

*C. Franchisor and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate a "PickleRage" Facility (the "**Franchised Business**") and to offer and sell products, services, and other ancillary products approved by Franchisor and use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement.*

D. The Staff Member, by virtue of his or her position with Franchisee, will have access to certain of Franchisor's Confidential Information, as defined below, and must therefore be bound by the same confidentiality agreement to which the Franchisee is bound.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are acknowledged, the parties agree as follows:

1. Confidential Information. During the time that Staff Member is engaged by Franchisee, and after that engagement ends, Staff Member will not communicate, divulge, or use for the benefit of any other party the methods of operation of the Franchised Business that the Staff Member learns about during the Staff Member's engagement by Franchisee. Any and all information, knowledge, know-how, and techniques that are deemed confidential are will be deemed confidential for purposes of this Agreement.

2. Injunctive Relief. Staff Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Staff Member agrees to pay all costs (including reasonable attorneys' fees, court costs, discovery costs, and all other related

expenses) incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

3. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, will be held invalid by any court of competent jurisdiction for any reason, then the Staff Member agrees that the court will have the authority to reform and modify that provision in order that the restriction will be the maximum necessary to protect Franchisor's and/or Staff Member's legitimate business needs as permitted by applicable law and public policy. In so doing, the Staff Member agrees that the court will impose the provision with retroactive effect as close as possible to the provision held to be invalid.

4. Delay. No delay or failure by the Franchisor or Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, will constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement will be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

5. Third-Party Beneficiary. Staff Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

6. Employer. The Staff Member agrees that the Franchisee is its only employer, and that the Franchisor does not employ Staff Member, is not a "joint employer" together with the Franchisee, nor does the Franchisor have anything to say about the Staff Member's employment relationship to the Franchisee.

IN WITNESS WHEREOF, the Franchisee and the Staff Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

FRANCHISEE	STAFF MEMBER
_____	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

PickleRage Franchise LLC
FRANCHISE AGREEMENT
EXHIBIT G

SITE SELECTION ADDENDUM

PickleRage Franchise LLC ("**Franchisor**" or "**us**" or "**we**") and _____ ("**Franchisee**" or "**you**") have entered into a PickleRage Franchise Agreement ("**Franchise Agreement**") on _____, 202____, and wish to supplement its terms as set out below in this Site Selection Addendum (the "**Addendum**"). The parties agree as follows:

AGREEMENT

1. **Time to Locate Site**: Within ninety (90) days after the Effective Date of the Franchise Agreement, you agree to acquire or enter into a binding lease/sublease (collectively, a "**lease**"), at your own expense, commercial real estate that is properly zoned for the use of the business that you will conduct under the Franchise Agreement (the "**Franchised Business**") at a site that we will have approved in writing as provided below. You agree to provide us with a copy of the signed purchase agreement or lease/sublease (and you need to close/settle on the property if purchasing).

a. The location must be within the following area: _____

_____

(the "**Site Selection Area**").

b. The only reason that the Site Selection Area is described here is to describe the area within which you will search to find a site for the Franchised Business. The parties agree that: **(i)** the Site Selection Area is not exclusive.

c. Until the end of the Search Period, and inside the Site Selection Area,) we will not establish, nor franchise another party to establish, a "PickleRage" business operating under the System.

d. For purposes of this Addendum, the term "**Search Period**" means the earlier of: **(i)** ninety (90) days from the Effective Date of the Franchise Agreement; or **(ii)** until we have approved a location for your Franchised Business. When the Search Period ends, the protections of paragraph 1.c above will automatically expire and you will have no further rights regarding the Site Selection Area.

d. If you do not acquire or lease a site (that we have approved in writing) for the Franchised Business in accordance with this Addendum by not later than one hundred and eighty (180) days after the date of this Addendum, that will constitute a default under Section 17.2 of the Franchise Agreement and also under this Addendum, and we will have the right to terminate the Franchise Agreement and this Addendum pursuant to the terms of Section 17.2 of the Franchise Agreement.

2. **Site Evaluation Services**: We will provide you with our site selection guidelines, including our minimum standards for a location for the Franchised Business, and such site selection counseling and assistance as we may deem advisable. We will perform one (1) on-site evaluation as we may deem advisable in response to your requests for site approval without a separate charge. If we perform any additional on-site evaluations, you must reimburse, as applicable, us for all reasonable expenses that we incur in connection with such on-site evaluation, including, without limitation, the cost of travel,

lodging and meals. We will not provide on site evaluation for any proposed site before we have received from you a completed site approval form for the site (prepared as set forth in Section 3 below).

3. **Site Selection Package Submission and Approval**: You must submit to us, in the form that we specify: ***(a)*** a completed site approval form (in the form that we require); ***(b)*** such other information or materials that we may reasonably require; and ***(c)*** an option contract, letter of intent, or other evidence satisfactory to us that confirms your favorable prospects for obtaining the site. You acknowledge that time is of the essence. We will have thirty (30) days after receipt of all such information and materials from you to approve or disapprove the proposed site as the location for the Franchised Business. We have the right to approve or disapprove any such site to serve as the Accepted Location for the Franchised Business. If we do not approve a proposed site by giving you written notice within the 30-day period, then we will be deemed to have disapproved of the site.

4. **Lease Responsibilities**: After we have approved a site and before the expiration of the Search Period, you must execute a lease, which must be coterminous with the Franchise Agreement, or a binding agreement to purchase the site. Our approval of any lease is conditioned upon inclusion in the lease of the lease rider attached to the Franchise Agreement as Exhibit G. However, even if we examine the lease, we are not responsible for review of the lease for any terms other than those contained in the lease rider.

5. **Accepted Location**: After we have approved the location for the Franchised Business and you have leased or acquired that location, the location will constitute the "**Accepted Location"** described in Section 1.2 of the Franchise Agreement. The Accepted Location may also be specified on Exhibit A to the Franchise Agreement, and will become a part the Franchise Agreement.

a. You hereby agree that our approval of a site does not constitute an assurance, 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. Our approval of the site indicates only that we believe the site complies with our minimum acceptable criteria solely for our own purposes as of the time of the evaluation. The parties each acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to our approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria that we used could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond our control.

b. We will not be responsible for the failure of a site (even if we have approved that site) to meet your expectations as to revenue or operational criteria.

c. You agree that your 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.

6. **Construction**: This Addendum will be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum will be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined herein will have the same meaning as set forth in the Franchise Agreement. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to duly execute and deliver this Addendum on the date first above written.

PickleRage Franchise LLC Franchisor	_____ Franchisee
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

PickleRage Franchise LLC
FRANCHISE AGREEMENT
EXHIBIT H
LEASE RIDER

THIS ADDENDUM (the "**Addendum**") has been executed as of this ___ day of _____, 202___, by and between _____ ("**Franchisee**") and _____ ("**Lessor**"), as an addendum to the lease, as modified, amended, supplemented, renewed and/or extended from time to time as contemplated herein ("**Lease**") dated as of _____, 202___ for the premises located at _____, in the State of _____("**Premises**").

Franchisee has also entered (or will also enter) into a Franchise Agreement ("**Franchise Agreement**") with PickleRage Franchise LLC ("**Franchisor**") for the development and operation of a "PickleRage" business at the Premises, and as a condition to obtaining Franchisor's approval of the Lease, the Lease for the Premises must contain the provisions contained in this Addendum.

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Franchisee hereby agree as follows:

1. Lessor agrees to deliver to Franchisor a copy of any notice of default by Franchisee or termination of the Lease at the same time such notice is delivered to Franchisee. Franchisor also agrees to deliver to Lessor a copy of any notice of termination under the Franchise Agreement. Franchisee consents to that exchange of information by Lessor and by Franchisor. Franchisee agrees that Lessor and Franchisor have the right to communicate with one another on matters pertaining to the Premises and the Lease.

2. Franchisee assigns to Franchisor, with Lessor's irrevocable and unconditional consent, all of Franchisee's rights, title, and interests to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment will be effective unless and until: **(a)** the Franchise Agreement is terminated or expires without renewal; and **(b)** Franchisor has given written notice to Franchisee and Lessor that Franchisor assumes Franchisee's obligations under the Lease.

3. Franchisor will have the right, but not the obligation, to cure any breach of the Lease (within fifteen (15) business days after the expiration of the period in which Franchisee had to cure any such default by Franchisee, should Franchisee fail to do so) upon giving written notice of its election to Franchisee and Lessor, and, if so stated in the notice, to also succeed to Franchisee's rights, title, and interests thereunder. The Lease may not be modified, amended, supplemented, renewed, extended, or assigned by Franchisee without Franchisor's prior written consent.

4. Franchisee and Lessor agree that Franchisor will have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Section 2 or Section 3, above.

5. If Franchisor assumes the Lease, as provided above, Franchisor may, without Lessor's prior consent, sublet and/or assign the Lease to another franchisee of Franchisor to operate a "PickleRage" business at the Premises provided that the proposed franchisee has met all of Franchisor's applicable criteria and requirements and has executed a franchise agreement with Franchisor. Lessor agrees to execute such further documentation to confirm its consent

to an assignment permitted under this Addendum as Franchisor may reasonably request. Upon such assignment to a franchisee of Franchisor, Franchisor will be released from any further liability under the terms and conditions of the Lease.

6. Lessor and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents will have the right to enter the Premises for certain purposes. Lessor hereby agrees not to interfere with or prevent such entry by Franchisor, its employees, or agents. Lessor and Franchisee hereby further acknowledge that if the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the Premises as a "PickleRage" business (unless Franchisor takes an assignment of the lease, as provided above). Lessor agrees to permit Franchisor, its employees or agent, to enter the Premises and remove signs (both interior and exterior), décor and materials displaying any marks, designs or logos owned by Franchisor, provided that Franchisor will bear the expense of repairing any damage to the Premises as a result thereof.

7. If Lessor is an affiliate or an owner of Franchisee, Lessor and Franchisee agree that if Lessor proposes to sell the Premises, before the sale of the Premises, upon the request of Franchisor the Lease will be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the "PickleRage" business is located.

8. Lessor agrees that during and after the term of the Lease, it will not disclose or use Franchisor's Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Lessor's obligations under the Lease. "**Confidential Information**" as used herein will mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Lessor, or otherwise obtained by Lessor, regarding the design and operations of the business located at the Premises, including, without limitation, all information identifying or describing the floor plan and layout, furnishings, equipment, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, techniques, trade dress, "look and feel," design, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee on the Premises. Lessor acknowledges that all such Confidential Information belongs exclusively to Franchisor.

9. Lessor agrees that: **(a)** Franchisor has granted Franchisee the right to use Franchisor's proprietary trade name, trademarks, service marks logos, insignias, slogans, emblems, symbols, designs, and indicia of origin (collectively the "**Marks**") at the Premises, pursuant to the terms of the Franchise Agreement; and **(b)** Franchisor has not granted to Lessor the right to use the Marks.

10. Lessor and Franchisee agree that the Premises will be used solely for the operation of a "PickleRage" business.

11. Lessor and Franchisee agree that any default by Franchisee under the Lease will also constitute a default under the Franchise Agreement, and any default by Franchisee under the Franchise Agreement will also constitute a default by Franchisee under the Lease.

12. Lessor and Franchisee agree that the terms in this Addendum will supersede any contrary terms in the Lease and that they will not later amend the lease in a manner that supersedes the terms in this Addendum.

13. Franchisor, along with its successors and assigns, is an intended third-party beneficiary of the provisions of this Addendum.

14. Lessor and Franchisee agree that copies of any and all notices required or permitted under this Addendum, or under the Lease, will also be sent to Franchisor at _____ (attention _____), or to such other address as Franchisor may specify by giving written notice to Lessor.

WITNESS the execution of this Addendum, under seal.

Lessor:	Franchisor*	Franchisee:
_____	_____	_____
Date:	Date:	Date:
_____	_____	_____
Subscribed and sworn to before me this ___ day of _____, 202_____.	Subscribed and sworn to before me this ___ day of _____, 202_____.	Subscribed and sworn to before me this ___ day of _____, 202_____.
_____ Notary Public	_____ Notary Public	_____ Notary Public
My Commission expires: _____	My Commission expires: _____	My Commission expires: _____
	* The Franchisor has signed this lease rider only to acknowledge its terms and not to accept any obligations under the lease.	

PickleRage Franchise LLC

FRANCHISE AGREEMENT
EXHIBIT I
INDEX TO DEFINED TERMS

Defined Term	Section #
Accepted Location	1.2
ADA	5.3.4
Additional Trained Personnel	6.1.4
Affiliates	26.9
Agreement	Introduction
AI Source	14.8
Allowances	7.1.6
Anti-Terrorism Laws	19.10
BLS	4.7
Brand Standards Manual	3.4
Captive Market Location	1.4.7.1
Claim	21.4.3.1
Competitive Business	19.2.2
Computer Upgrades	14.1.4
Confidential Information	11.1.4
Confirnation of Performance	3.11
Crisis Situation	8.16.1
Customer Apps	12.5
Delivery	1.4.3.3
Digital Site	14.5
Due Date	4.3.6
Effective Date	Introduction
Electronic communication	14.7
Entity	2.2.5
Expenses	21.4.3.1
Portal	14.4
FDD	25.2
Franchised Business	1.1.1
Franchisor, we, or us	Introduction
Franchisor Parties	21.4.3.3
Franchisee or you	Introduction
General Manager	6.1.3
Grand Opening Marketing Program	13.5
Gross Sales	4.2
Identifiers	18.4.2
Incapacity	16.7.2
Index	4.7
Initial Franchise Fee	4.1
Input Items	7.1
Local Facility Mktg Expenditure	13.5
Logo Items	7.4
Major Remodeling	8.8.3
Marketing Contribution	13.1.1
Marketing Fund	13.1.2
Non-Traditional Facility	1.4.7.2
Official Senders	14.11
Operating Assets	18.5
Operating Codes	8.7
Operating Principal	6.1.1
Other Brands	1.6
Owners	19.10
Payment Vendors	12.4.2
Permitted E-mail Address	14.11.3
Period	4.2
POS Systems	14.6
Principal	16.2
Privacy Laws	14.3.1
Proprietary Items	7.2
Proprietary Marks	Introduction
Publicly-held entity	19.7
Releasees	28.13
Releasors	28.13
Relocation Expenses	5.9
Required Software	14.1.2
Royalty Fees	4.2
Products	Introduction
Facility	Introduction
Sales Report	4.2
Scheduled Opening Date	5.1.2
Services	Introduction
Site Selection Addendum	1.2.1.1
Supplier	7.1.2
System	Introduction
Technology Fee	14.1.7
Technology System	14.1.1
TPD Provider	1.6.4
Transfer	16.4.1.1

Exhibit C: Development Agreement

PICKLERAGE

PickleRage Franchise LLC
1000 5th Street, Suite 100
Miami Beach, FL 33139

_____, 202__

_____
_____
_____
_____

Re: Development Agreement

Dear _____:

We are pleased to be entering into this letter agreement (the "**Development Agreement**") with you, as of the Effective Date noted on the signature page of this Development Agreement. As used in this Development Agreement, the terms "**you**", "**your**", and "**Developer**" mean _____, and the terms "**we**", "**us**", and "**Franchisor**" mean PickleRage Franchise LLC.

1. *Development*. This Development Agreement relates to the terms under which you will develop "PickleRage" business (each a "**Facility**") within the "**Development Area**" that is specified on the attached Data Sheet (Exhibit A). Each Facility will be established under the terms of a separate Franchise Agreement (the "**Franchise Agreement**") for that Facility, which will specify, among other things, the accepted location of that Facility.

2. *Development Schedule*. You agree to have each of the Facilities in the Development Area open and in operation according to the development schedule that is specified on the attached Data Sheet (Exhibit A). That schedule is referred to as the "**Development Schedule**."

3. *Term*. The term of this Development Agreement starts only when both parties have signed below, and ends on the last date specified in the Development Schedule (unless this Development Agreement is sooner terminated) (the "**Term**").

4. *Fees and Credits*.

    4.1 In consideration of the development rights granted in this Development Agreement, you agree to pay us, upon signing this Development Agreement, a development fee as specified on the attached Data Sheet (Exhibit A) (the "**Development Fee**"). The Development Fee shall be fully earned when we receive it from you and it shall be non-refundable.

    4.2 If you are in compliance with your obligations under this Development Agreement and all of the Franchise Agreements between you (and your affiliates) and us (and our affiliates), then initial fee under the Franchise Agreement for each Facility that is required to be established in the Development Area under this Development Agreement will be as follows:

For this Facility	This will be the initial franchise fee	This portion of the Development Fee is due when you sign this Development Agreement (and will be credited to the initial franchise fee due under the Franchise Agreement)	This is the remaining balance of the initial franchise fee that you agree to pay when you sign the Franchise Agreement for this Facility
First	$65,000	$65,000	$0
Second	$55,000	$20,000	$35,000

4.3 For the third and any additional Facilities the initial franchise fee will be the same as for the second Facility.

4.4 All payments that you make to us must be without deduction for any taxes.

4.5 All payments must be made in the U.S. and in U.S. Dollars, by ACH payment or wire-transfer to a bank account that we designate in writing for that purpose.

5. *Development Rights*. We agree not to establish, nor license anyone other than you to establish, a Facility in the Development Area until the end of the Term, except as otherwise provided under Section 6 below, so long as you (and your affiliates) are in compliance with this Development Agreement and all of the Franchise Agreements between you (and your affiliates) and us (and our affiliates), subject to Sections 6 and 7 below.

6. *Reservation of Rights*. Except as otherwise specifically provided above in Section 5, we retain all other rights (as specified in Section 11.1 below) including all of those specified in Section 1.4 of the attached Franchise Agreement, which is incorporated here by reference (with the term "Development Area" substituted for "Protected Area" in that agreement).

7. *Other Brands*. You understand that we may operate (or be affiliated with companies that operate) businesses under brand names (whether as company-owned concepts, as a franchisor, as a franchisee, or otherwise) in addition to the "PickleRage" (and related names) brand, and also that we may acquire and operate businesses and other brands (or be acquired by a company that operates other brands) (collectively, "**Other Brands**"). This Agreement does not grant you any rights with respect to any such Other Brands.

8. *No License to use the Marks*. This Development Agreement does not confer upon you any license to use, in any manner whatsoever, our Proprietary Marks and/or our System. That license will instead be set out under (and subject to the terms of) the Franchise Agreements.

9. *Signing the Franchise Agreements*.

9.1 You must sign a Franchise Agreement for each Facility. The Franchise Agreement for each Facility developed under this Development Agreement shall be in the form of our then-current Franchise Agreement. You must sign the Franchise Agreement for each Facility and submit to us for countersignature not more than thirty (30) days after you sign the lease or purchase property for that Facility.

9.2 Each Facility shall be located at a site that we have accepted, within the Development Area, as provided in Section 10 below.

9.3 You agree to engage the managerial staff that is necessary to supervise the operation of the Facilities in the Development Area, who must attend and successfully complete the training program that we provide for store General Managers under the Franchise Agreement.

10. *Facility Development and Site Acceptance*. For each proposed site for a Facility, you must submit to us, in a form we may specify, a completed site acceptance package and such other information or materials as we may reasonably require. You must submit the site acceptance package, information, and materials by no later than one hundred and eighty (180) days before the date on which the Facility must open as listed in the Development Schedule. You also must obtain our site acceptance for the first Facility to be developed under this Development Agreement within four (4) months after the date of this Development Agreement. If we provide our written acceptance of a proposed site, then we will send you written notice within thirty (30) days after we receive your completed site acceptance package. If we do not send that notice to you within the same thirty-day period, then we shall be deemed to have disapproved the proposed site. Until we have provided our written acceptance of a proposed site, you may not open or operate a Facility at that location.

10.1 If you will occupy the premises from which the Facility is to be operated under a lease, then before signing the lease, you must submit to us the draft lease or sublease for our acceptance. Our acceptance of the lease shall be conditioned upon the inclusion in the lease of terms acceptable to us, as specified in the "lease rider" that is attached to the form of Franchise Agreement found at Exhibit B to this Development Agreement. You must obtain our prior written acceptance as to the site for each Facility before you enter into a lease or sublease for that site, and before you start construction at these sites. Within thirty (30) days after we give our site acceptance, you must sign a lease, after obtaining our acceptance of the terms of the lease, or a binding agreement to purchase the site, subject only to your obtaining any necessary zoning variances, building, or use permits. Nothing in this Section 10 shall be deemed to amend or modify your obligation to meet the Development Schedule. As used in this Development Agreement, the term "lease" includes subleases and similar subordinate grants of occupancy rights.

10.2 Recognizing that time is of the essence, you agree to satisfy the Development Schedule. If you do not meet the Development Schedule, or if you do not submit a completed site acceptance package and obtain our acceptance within the time periods noted in this Section 10, that will constitute a default under this Development Agreement.

10.3 We may provide guidance to you in obtaining sites for your Facilities. Neither our acceptance of a proposed site nor any information we communicate to you regarding our standard site selection criteria for Facilities (nor publicly available data for the site) constitutes a warranty or representation of any kind, expressed or implied, as to the suitability of the site for a Facility or for any other purpose. Our acceptance of a site merely signifies that we are willing to grant a franchise for a Facility at that location. Your decision to develop and operate a Facility at the site is based solely on your own independent investigation of the suitability of the site.

10.4 In consideration of our acceptance of the site, you and each of your owners release us and our affiliates, as well as our officers, directors, employees and agents, from all

loss, damages and liability arising from or in connection with the selection or acceptance of the site for development as a Facility, and agree to hold each such party harmless for such site acceptance.

10.5 In connection with your proposed site and lease for the operation of each Facility, you acknowledge and agree that:

a. Whether you choose to proceed ahead with a particular site depends on your confidence in the site after doing your homework, carefully investigating all of the concerns (in addition to any that we may have raised), and investigating whether proper signage can be used at the site. If you decide to proceed ahead with a proposed site, you will still have to determine whether you can obtain a lease on favorable terms.

b. There is no way to know whether a particular site is likely to be successful or not, or whether you have considered every important factor. Factors you cannot predict may also play a role (for example, a construction project that impedes the flow of traffic).

c. If you decide to go ahead with a proposed site and we "accept" that site, you should know that our "go ahead" or even our "acceptance" does not mean that we have reached any conclusion as to whether or not you will be successful in operating a Facility at that site. The review we conduct is for our own benefit just to make sure that a site meets certain internal characteristics.

d. Our review and acceptance of the proposed site and lease is not a recommendation or endorsement, and obviously not a guarantee that the site or lease terms are suitable. You are responsible for making the decision and you must take the steps you think are needed to determine whether the site is beneficial to you and whether the terms of the proposed lease make sense.

10.6 You acknowledge and agree that any of our designees, employees, agents, or independent contractors (such as an "area developer") may perform any duty or obligation imposed on us by the Agreement, as we may direct (if so, we will, nonetheless, remain responsible to you for the performance of these obligations).

11. *Provisions of the Franchise Agreement Incorporated by Reference*. The parties agree that the provisions of the following sections of the Franchise Agreement are incorporated by reference into this Development Agreement as if they were printed in this Development Agreement (here, and in full text), and that the provisions noted above also apply to this Development Agreement (except that reference to the "Franchisee" in those provisions shall refer to you under this Development Agreement and references to the "Protected Territory" in the Franchise Agreement shall apply to the Development Territory under this Development Agreement):

This Section of this Development Agreement	Incorporates this Section of the Franchise Agreement here, by reference	Relating to
11.1	1.4	Reserved Rights
11.2	6	Training, as provided in Section 9.3 above

This Section of this Development Agreement	Incorporates this Section of the Franchise Agreement here, by reference	Relating to
11.3	15	Insurance
11.4	16	Transfer of Interest (and also see Section 12 below)
11.5	17	Default and Termination (and also see Section 13 below)
11.6	18	Obligations upon Termination or Expiration
11.7	19	Covenants
11.8	20	Taxes, Permits, and Indebtedness
11.9	21	Independent Contractor and Indemnification (and also see Section 15 below)
11.10	22	Force Majeure
11.11	23	Approvals and Waivers
11.12	24	Notices
11.13	26	Severability and Construction
11.14	27	Applicable Law and Dispute Resolution *(You specifically acknowledge and agree that the State of Florida has a deep body of law that will aid in interpreting and understanding the terms of this Development Agreement. Among other things, the provisions of Section 27 provide (in the detail spelled out in the Franchise Agreement) that you agree that Florida law shall exclusively govern the terms of this Development Agreement (but not applying Florida conflict of laws rules), and that the parties agree to waive any right trial by jury, that you are waiving the right to seek or collect punitive damages, that the parties must first mediate any dispute before bringing an action in court; that the venue for any action you may file against us will be in the courts having jurisdiction over Broward County, Florida, that you are waiving participation in a common or class action against us, and that all legal actions that you or we bring (excluding claims for indemnification) must be brought within one (1) year from the occurrence of the facts giving rise to such claim or action – all as described in Section 27 of the Franchise Agreement.)*
11.15	28	Acknowledgments

12. *Transfers*. In addition to the provisions of Sections 9.2(d) and 11.4 above, you understand and agree that we have entered into this Development Agreement in reliance on your promise and commitment to establish and operate an agreed-upon number of Facilities, and that as a result, you agree that it would not be unreasonable for us to withhold our consent to a transfer of some, but not all, of the Franchise Agreements separate from one another, and in any case, separate from the rights set forth under this Development Agreement (if this Development Agreement has not at the time of a proposed transfer either expired or terminated).

13. *Defaults*. In addition to the provisions of Section 11.5 above, you will be in default under this Development Agreement if you: (a) do not meet your obligations under the Development Schedule (including Note 1 to the Development Schedule) and/or if any other agreement between you (and/or your affiliates) and us is terminated; and/or (b) fail to provide us with any information or documents we have the right to request under this Development Agreement or any other agreement between you (and/or your affiliates) and us (and/or our affiliates). If you are in default under this Development Agreement, then we will have the right to: (i) terminate this Development Agreement by giving you written notice of termination, which will take effect immediately (unless otherwise required under applicable law); or (ii) take any lesser action instead of terminating this Development Agreement, including but not limited to suspending or eliminating your rights to the Development Area. A default under this Development Agreement shall not (by itself) constitute a default under any Franchise Agreement between the parties.

14. *Entire Agreement and Amendment*. This Development Agreement (including the Data Sheet and the provisions of the Franchise Agreement that are incorporated into this Development Agreement by reference) constitutes the entire, full, and complete contract between the parties concerning the subject matter of this Development Agreement, and supersede all prior communications, representations, and agreements, with no other representations having induced either party to sign this Development Agreement. The parties acknowledge and agree that they relied only on the words printed in this Development Agreement (and the Data Sheet and the provisions of the Franchise Agreement that are incorporated by reference) in deciding whether to enter into this Development Agreement; however, nothing in this Development Agreement or elsewhere is meant to disclaim any statement included in our franchise disclosure document. Except for those changes that we are permitted to make unilaterally under this Development Agreement, no amendment, change, or variance from this Development Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

15. *Indemnity*. You agree to defend, indemnify and hold us, our owners and affiliates, and our (and our affiliates') officers, directors, members, managers, employees, and agents harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with your conduct and/or operation of the business contemplated under this Development Agreement, as well as the costs of defending against them (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses). This Section 15 is in addition to Section 11.9 above and the indemnification provisions of the Franchise Agreements.

16. *Captions*. The headings and captions in this Development Agreement are merely for the sake of convenience and are not meant (and shall not be deemed) to change or have any affect upon the meaning of the Agreement. When used in this Development Agreement, the term "including" means "including but not limited to" in each instance.

17. *Confirmation that You Read and Understand the Franchise Agreement*. You confirm that you read and understand the Franchise Agreement attached to this Development Agreement as Exhibit B (including but not limited to the provisions of the Franchise Agreement that are referenced (and/or incorporated by reference) into this Development Agreement (including the waiver of jury trial, the waiver of punitive damages, the mediation and venue clauses, and the provision waiving participation in a common or class action)).

IN WITNESS WHEREOF, intending to be legally bound by this Development Agreement, the parties have duly executed, sealed, and delivered this Development Agreement to one another on the Effective Date.

PickleRage Franchise LLC.
Franchisor

By:_____

Name:_____

Title:_____

Effective Date:_____

Address for Notices:

PickleRage Franchise LLC
1000 5th Street Suite 100
Miami Beach, FL 33139
franchise@picklerage.com

_____
Developer Entity

By:_____

Name:_____

Title:_____

Address for Notices:

_____
_____
Attn:_____
Telephone: _____
Email: _____

Exhibits (2):

A – Data Sheet; and
B – Franchise Agreement

Exhibit A - Data Sheet

The Development Fee under this Development Agreement shall be:

For this Facility to be Developed in the Development Area:	The Development Fee shall be:
First	$65,000
Second	$20,000
Total Development Fee	**$85,000**

Initialed

Franchisor _____ Developer Party _____

The Development Area under this Development Agreement shall be:

The present political boundaries of _____
(excluding airports, seaports, and U.S. Government-operated facilities).

Initialed

Franchisor _____ Developer Party _____

The Development Schedule under this Development Agreement shall be:

By this anniversary of the date of this Development Agreement	Total Number of Facilities That You Agree to Have Open and in Operation in the Development Area
One (1) year	
Two (2) years	

Initialed

Franchisor _____ Developer Party _____

Exhibit B - The Franchise Agreement

Exhibit D: List of Franchisees and Developers

FRANCHISEES and AFFILIATES WITH OPENED STORES

as of December 31, 2025

Name of Franchisees	Address	Telephone	Area of Development
J2K, LLC	13 Florida St, Mobile, AL	251-689-7800	Mobile, AL

FRANCHISEES WITHOUT OPENED STORES

as of December 31, 2025

Name of Franchisees	Address	Telephone	Area of Development
RRow Group	3550 Lenox Road, 21st Floor, Atlanta , GA	404-822-9722	Huntsville, AL
Carnival Kid Production	5115 N Dysart Road #202 Suite 198, Litchfield, AZ	818-422-6026	Scottsdale, AZ
Vinayak Raghavendra Rao, Shilpa Sanghi, and Shweta Tiwari	TBD	404-754-1860	TBD, CO
K&J Pickleball, LLC	14400 SW 29th Court, Davie, FL	954-205-5171	Broward County, FL
Ed Pickett	407 Old BurnStore Road N, Cape Coral, FL	207-215-7397	Fort Myers, FL
Prime Play, LLC	7 Deveaux Court, South Barrington, IL	737-707-2176	Schaumburg/Barrington, IL
Kishan and Minal Patel	1104 Shootingstar Court, West Lafayette, IN	765-430-1116	Marian County, IN
3P Quest, LLC	3108 Lord Baltimore Rd, Suite 104, Windsor Mills, MD	443-938-4654	Baltimore County, MD
LRP Ventures, LLC	8499 Belle Bluff Dr, Grand Blanc, MI	248-802-9299	Genesee County, MI
Robyn Hesling-Goodrich	3701 North 38th St, Augusta, MI	269-377-5991	Grand Rapids, MI
Robyn Hesling-Goodrich	3701 North 38th St, Augusta, MI	269-377-5991	Kalamazoo, MI
N&W Enterprises	45093 Middlebury Ct., Canton, MI	734-787-8038	Wayne County, MI
Ivancic Holding Corp.	5006 Chicago St. , Omaha, NE	402-452-4998	Douglas County, NE
pbX Ventures Las Vegas LLC	1400 San Carlos Road, Arcadia, CA	626-205-8045	Clark County, NV
Paul, Melissa and David George	3246 Erica St., Cocoa, FL	978-994-5191	Merrimack County, NH
PGSS Sports and Entertainment, LLC	17 Koch Ln., East Brunswick, NJ	732-874-0039	Middlesex County, NJ
New World Sports, LLC	20 Hillside Ave., Mahwah, NJ	201-669-1388	Union County, NJ
BHS Sports, LLC	840 Fenimore Road, Larchmont, NY	917-447-4850	New Rochelle, NY
Robert Ortiz	111 King Richard CT, Jacksonville, NC	910-526-9125	Jacksonville, NC
Matt Dragone	543 Hampshire Hill Road, Matthews, NC	917-751-5935	Mecklenburg County, NC
Scott Thorley	301 Birdwood Ct. Cary, NC	919-606-3925	NW Raleigh, NC
Anthony and Kari Pantano	214 Heritage Town Parkway, Canton, GA	770-265-7319	Centreville, OH
Club Dink, LLC	19674 Paver Barnes Road, Marysville, OH	937-209-0462	NW Columbus MSA, OH
Williams of Buckeye Lake, LLC	11639 McMurray Way, Thornville, OH	614-906-0404	Licking County, OH
Bounce Moore Pickleball, LLC	10621 Stone Bunker Dr., Charlotte, NC	704-771-0190	York County, SC
Robert Kessler, JR	5911 Winter Breeze Dr., Spring, TX	713-553-7630	W Austin , TX
Austin Dinkers Club, LLC	3820 Brushy Creek Road, #113, Cedar Park, TX	480-307-3995	NW Austin, TX
Hunter Indoor Sports, LLC	404 Rocky River Road, Georgetown, TX	713-304-8453	NE Austin, TX

Exhibit E: Franchisees and Developers That Left the System

None.

Exhibit F: Table of Contents to Manual



FRANCHISE OPERATIONS MANUAL

TABLE OF CONTENTS

Preface	9 pages
Introduction	12 pages
Pre-Opening Procedures	41 pages
Sales Procedures	22 pages
Daily Operating Procedures	58 pages
Managing a “PickleRage” Business	37 pages
Marketing and Promotion	18 pages
Total	197 pages

Exhibit G: State-Specific Disclosures and Amendments to Agreements

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

The Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

3. Item 3 is amended to add:

   Neither Franchisor nor any person described in Item 2 of the Disclosure Document is 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. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 6 is amended to add:
   The maximum interest rate in California is 10% annually.

5. Item 17 is amended to state:

   (a) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

   (b) 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.

   (c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.

   (d) The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

6. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development

agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

Illinois law shall apply to and govern the Franchise Agreement.

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.

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

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

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

For info about obtaining a liquor license in Illinois, see:
https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, see:
https://www.tipscertified.com/tips-state-pages/illinois/

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

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.

AMENDMENT TO THE PICKLERAGE FRANCHISE, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law shall apply to and govern the Franchise Agreement.

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.

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

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

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

For info about obtaining a liquor license in Illinois, see:
https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, see:
https://www.tipscertified.com/tips-state-pages/illinois/

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

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.

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.

For info about obtaining a liquor license in Illinois, see:
https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, see:
https://www.tipscertified.com/tips-state-pages/illinois/

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

The parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

PICKLERAGE FRANCHISE, LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

AMENDMENT TO THE PICKLERAGE FRANCHISE, LLC MULTI UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the Area Development Agreement.

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.

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

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

In conformance with Section 41 of the Illinois Franchise Disclosure Document 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.

For info about obtaining a liquor license in Illinois, see:
https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, see:
https://www.tipscertified.com/tips-state-pages/illinois/

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

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.

Signature Page to follow

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

FRANCHISOR:

PICKLERAGE FRANCHISE, LLC

By:_____

_____, _____
(Print Name, Title)

DEVELOPER:

_____

_____
(Print Name)

DEVELOPER:

_____

_____
(Print Name)

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE INDIANA FRANCHISE DISCLOSURE LAW AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT

The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-2-2.7 (1985) (collectively referred to as the "Acts"). To the extent that (a) the jurisdictional requirements of the Acts are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) To the extent the Franchise Agreement contains provisions allowing the establishment of franchisor-owned outlets that are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(2), the requirements of this section of the Indiana Act will control.

(b) The franchisor may not make any substantial modification of the Franchise Agreement without the franchisee's written consent.

(c) To the extent any provision regarding renewal or termination of the Franchise Agreement is inconsistent with the Indiana Deceptive Franchise Practices Act §§ 23-2-2.7(7) and (8), the provisions of these sections of the Indiana Act will control.

(d) Any requirement in the Franchise Agreement that requires the franchisee to prospectively assent to a release, assignment, novation, wavier or estoppel shall not relieve any person from liability arising under the Acts.

(e) To the extent the covenants not to compete upon expiration or termination of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(9), the provisions of this section of the Indiana Act will control.

(f) To the extent that any provision of the Franchise Agreement would be deemed unenforceable pursuant to the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10), as this section of the Indiana Act is interpreted and applied, such provision of the Franchise Agreement shall be so deleted therefrom.

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

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Maryland Franchise Law"). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. No requirement that you agree to any release, assignment, novation, estoppel or waiver of liability as a condition to your purchasing a PickleRage franchise shall act as a release, estoppel or waiver of any liability under the Maryland Franchise Law.

2. Item 5 is amendment to state:

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

3. Item 17 is amended to state:

(a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.).

(d) Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

4. No Experience: We have no experience operating a franchise of this nature, and we have almost no experience operating the type of business you will be operating as our franchisee. This franchise is likely a risky investment.

5. 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 REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT WITH MARYLAND SECURITIES DIVISION OF THE OFFICE OF ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE SECURITIES COMMISSIONER.

AMENDMENT TO THE PICKLERAGE FRANCHISE AGREEMENT AND MULTI- UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached PickleRage Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee's assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Section 2.2 and 16.1.5 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 17.4 of the Franchise Agreement is hereby amended to further state:

> "Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.)."

3. To the extent of any inconsistencies, Section 27.3 of the Franchise Agreement is hereby amended to further state:

> "Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland."

4. To the extent of any inconsistencies, Section 20.6 of the Franchise Agreement is hereby amended to further state:

> "Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise."

5. 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.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

6. To the extent of any inconsistencies, Section 28 of the Franchise Agreement is hereby deleted.

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

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

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

FRANCHISOR:

PICKLERAGE FRANCHISE, LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

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

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

3. Item 6, Non-Sufficient Funds Fee, is amended to state:

   Pursuant to Minn. Stat. § 604.113, the Non-Sufficient Funds Fee is $30.00 per occurrence.

4. Item 17 is amended to state:

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

(b) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we will give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your Board and Brush Creative Studio.

(c) In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.

(d) In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.

(e) Minn. Stat. § 80C.17 subd. 5 requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.

(f) You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400(J),

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

AMENDMENT TO THE
PICKLERAGE FRANCHISE, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Statutes Chapter 80C, the parties to the attached PickleRage Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee's assent to a release other than as part of a voluntary settlement of disputes. To the extent of any inconsistencies with the Minnesota Rules requirement contained in Sections 2.2.7 or 16.5 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 2.2.1 of the Franchise Agreement is hereby amended to state:

> "Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 4, Franchisor will give Franchisee 180 days' notice for non-renewal of the Franchise Agreement."

3. To the extent of any inconsistencies, Sections 17.2 through 17.3 of the Franchise Agreement are hereby amended to state:

> "Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 3, Franchisor will give Franchisee 90 days notice of termination (with 60 days to cure)".

4. To the extent of any inconsistencies, Article 27, Applicable Law and Dispute Resolution, of the Franchise Agreement is hereby amended to state:

> "Franchisor cannot require Franchisee to: (i) conduct litigation outside Minnesota, (ii) waive a jury trial, or (iii) consent to liquidated damages, termination penalties or judgment notes. Nothing in this Franchise Agreement shall abrogate or reduce (1) any of Franchisee's rights as provided for in Minn. Stat. Chapter 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may <u>seek</u> injunctive relief."

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes Chapter 80C are met independently without reference to this Amendment.

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

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

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

The parties hereto have duly executed this Minnesota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

PICKLERAGE FRANCHISE, LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

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 RESOURCES 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 THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN 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 THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

> Except as provided above, the following applies 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 that is 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 felony charge or, within the ten years 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. Rev. April 2, 2024
>
> 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, actions affecting a license as

a real estate broker or sales agent.

3. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

4. 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 of action 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.

5. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law."

6. 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 the franchisee by Article 33 of the General Business Law of the State of New York.

7. 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.

8. 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 Rev. April 2, 2024 time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest 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.

NEW YORK RIDER TO PICKLERAGE FRANCHISE, LLC
FRANCHISE AGREEMENT

THIS RIDER TO THE FRANCHISE AGREEMENT FOR NEW YORK ("Rider") is entered into by and between PickleRage Franchise, LLC, a Delaware limited liability company, with its principal office at 1007 North Federal Highway, #312, Fort Lauderdale, Florida 33301("we," "us" or "our") and _____ _____ ("you" or "your"), whose principal business address is _____ _____.

WHEREAS, we and you have entered into a certain Franchise Agreement dated _____ which grants you the right to operate a PickleRage franchise (the "Franchise Agreement");

WHEREAS, you are domiciled in New York and the PickleRage franchise will be located in New York, and/or any of the offering or sales activity relating to the Franchise Agreement occurred in the State of New York; and

WHEREAS, in recognition of the requirements of the General Business Law of the State of New York, Article 33, Sections 680-695, we and you desire to amend certain terms of the Franchise Agreement in accordance with the terms and conditions contained in this Rider.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Franchise Agreement and this Rider and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we and you agree as follows:

1. Sections 2.2.7 and 16.5 of the Franchise Agreement are amended by adding the following language to each Section:

> However, to the extent required by applicable law, notwithstanding the signing of a General Release, all rights you enjoy and any causes of action 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.

2. Section 17.2 of the Franchise Agreement is amended by adding the following language to this Section:

> However, to the extent required by applicable law, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment.

3. Section 27.2 of the Franchise Agreement is amended by adding the following language:

> New York Law governs any cause of action which arises under the New York General Business Law, Article 33, Sections 680-695. The provisions of this Franchise Agreement shall not be deemed a waiver of any rights conferred upon Franchisee by Article 33 of the

General Business Law of the State of New York and the regulations issued thereunder.

4. In the event of any conflict between a provision of the Franchise Agreement and this Rider, the provision of this Rider shall control. All terms which are capitalized in this Rider and not otherwise defined, will have the meanings given to them in the Franchise Agreement. Except as amended by this Rider, the Franchise Agreement is unmodified and in full force and effect in accordance with its terms.

5. Each provision of this Rider will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, Article 33, Sections 680-695 are met independent of this Rider.

The parties hereto have duly executed this New York Rider to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

PICKLERAGE FRANCHISE, LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled. (N.C.G.S. §66-95)

Effective Date: _____

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

PICKLERAGE FRANCHISE LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

ADDENDUM TO THE
PICKLERAGE FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, NDCC § 51-19 *et seq.* ("NDFIL"). To the extent that (a) the jurisdictional requirements of the NDFIL are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

1. Covenants not to compete upon termination or expiration of the franchise agreement are subject to NDCC § 9-08-06.

2. To the extent required by the NDFIL, arbitration proceedings shall take place at a location mutually agreed upon by you and us.

3. Any requirement that you consent to liquidated damages or termination penalties shall not apply to the extent prohibited by the NDFIL;

4. Any requirement that you consent to (i) the jurisdiction of courts outside of North Dakota, (ii) the application of laws of a state other than North Dakota, (iii) waiver of jury trial or (iv) waiver of exemplary and punitive damages shall not apply to the extent prohibited by the NDFIL;

5. Any release required as a condition to a renewal of the franchise agreement shall not apply to the extend prohibited by the NDFIL;

6. Any requirement that you consent to a limitation of claims shall not apply to the extent prohibited by the NDFIL. As applicable, the statute of limitations under North Dakota law shall control.

7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.

8. Item 17(u) of the Disclosure Document and Section 20 of the Franchise Agreement is amended to provide that arbitration and/or mediation shall be held at a site that is agreeable to all parties.

9. In the State of North Dakota, we will defer the payment of the initial franchise fee, any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

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

The parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

PICKLERAGE FRANCHISE, LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

ADDENDUM TO THE
PICKLERAGE FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of PickleRage Franchise, LLC ("we," "us," or "our") for use in the State of Rhode Island shall be amended to include the following:

1. Items 17v. and 17w., under the provisions entitled "Choice of law" and "Choice of forum," shall be supplemented with the following language:

> However, you may sue us in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

AMENDMENT TO THE
PICKLERAGE FRANCHISE, LLC

FRANCHISE AGREEMENT REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached PickleRage Franchise, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The following language shall be added at the end of Section 27.2 of the Franchise Agreement:

> Notwithstanding the above, Rhode Island franchisees are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

-Remainder of Page Intentionally Blank-

The parties hereto have duly executed this Rhode Island Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

PICKLERAGE FRANCHISE, LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

DISCLOSURES REQUIRED BY SOUTH CAROLINA LAW

If the seller fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

In accordance with South Carolina Code of Laws, Chapter 57, Section 39-57-70(b)(3), South Carolina franchisees are on notice that Franchisor's Registered Agent for Service of Process is:

_____
_____
_____
_____

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

FRANCHISOR:
PickleRage Franchise LLC

By:_____
Name:_____
Title:_____

FRANCHISEE (Entity):
_____

By:_____
Name:_____
Title:_____

FRANCHISEE (Principal):

_____
Name:_____

FRANCHISEE (Principal):

_____
Name:_____

ADDENDUM REQUIRED BY THE STATE OF SOUTH DAKOTA

In the State of South Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISOR:

PICKLERAGE FRANCHISE, LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND MULTI-UNIT DEVELOPMENT AGREEMENT

The following statements are added to Item 17.h.

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement 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.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $787,800 to $3,596,400. This amount exceeds the franchisor's stockholders equity as of December 31, 2023, which is $2,736."

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

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

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

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

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

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

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

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

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

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

Item 5 is amended to state:

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

In addition, all development fees and initial payment by area developers shall be deferred until the first franchise under the development agreement opens.

Exhibit I of this Disclosure Document does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

AMENDMENT TO THE
PICKLERAGE FRANCHISE, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

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

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

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

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

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

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

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

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

In addition, all development fees and initial payment by area developers shall be prorated and collected as each unit is opened.

Section 27.7 of the Franchise Agreement does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

Section 28 of the Franchise Agreement does not apply in Washington.

The following is hereby deleted from Section 28.11 of the Franchise Agreement:

“You understand as well that you may later learn of new or different facts, but still, it is your intention to fully, finally, and forever release all of the claims that are released above. This includes your waiver of state laws that may otherwise limit a release.”

The parties hereto have duly executed this Washington Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

PICKLERAGE FRANCHISE, LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

Exhibit H-1: State Administrators

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner Dep't of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677	**NEW YORK** New York State Dep't of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8285
HAWAII Commissioner of Securities Dep't of Commerce & Consumer Affairs Business Registration Div. Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 / (808) 586-2722	**NORTH DAKOTA** North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 Phone 701-328-2910
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Dep't of Business Regulation Securities Div., Building 69, First Floor John O. Pastore Center - 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Div. of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Div. 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Div. of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Div., Franchise Section 525 West Ottawa Street, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Dep't of Financial Institutions Securities Div. – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Dep't of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Div. of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

Exhibit H-2: State Agents for Service of Process

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner Dep't of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677	**NEW YORK** New York Secretary of State New York Dep't of State One Commerce Plz, 99 Washington Av, 6th Fl. Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities Dep't of Commerce & Consumer Affairs Business Registration Div. Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 / (808) 586-2722	**NORTH DAKOTA** North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 Phone 701-328-2910
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Dep't of Business Regulation Dep't of Business Regulation Securities Div., Building 69, First Floor John O. Pastore Center - 1511 Pontiac Av. Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Div. of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Div., Franchise Section 525 West Ottawa Street, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Dep't of Financial Institutions Securities Div. – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Dep't of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 / (651) 539-1600	**WISCONSIN** Div. of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

Exhibit I: Form of General Release

The following is our current general release language that we expect to include in a release that a franchisee or transferor may sign as part of a renewal or an approved transfer. We have the right to periodically modify the release.

Franchisee, its officers and directors, its owners, and their respective agents, heirs, administrators, successors, and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless PickleRage Franchise LLC, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors, and assigns (the "**Franchisor Group**"), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee Group or its owners had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of the Franchised Business.

Each party represents and warrants to the others, and agrees, that it may later learn of new or different facts, but that still, it is that party's intention to fully, finally, and forever release all of the Demands that are released above. This includes the parties' waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.") The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Franchise Agreement or the Franchised Business. The Franchisee Group and its owners represent and warrant that they have not asserted (nor made an assignment or any other transfer of any interest in) the claims, causes of action, suits, debts, agreements, or promises described above.

This general release does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

Exhibit J: 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:

States	Effective Date
California	*Pending*
Illinois	*Pending*
Indiana	*Pending*
Maryland	*Pending*
Michigan	*November 16, 2025*
Minnesota	*Pending*
New York	*Pending*
North Dakota	*Pending*
Rhode Island	*Pending*
South Dakota	*Pending*
Virginia	*Pending*
Washington	*Pending*
Wisconsin	*Pending*

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

Exhibit K-1: FDD Receipts

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

If PickleRage Franchise LLC ("**PickleRage**") offers you a franchise, then PickleRage must provide this disclosure document to you at least 14 calendar days (but in Michigan and Rhode Island 10 business days; and in New York, 10 business days or at the earlier of the first personal meeting if earlier) before you sign a binding agreement with (or make a payment to) us or an affiliate in connection with the proposed development agreement or franchise agreement.

The franchisor is PickleRage Franchise LLC, with offices at 1000 5th Street, Suite 100, Miami Beach, FL 33139.

The franchise sellers are Tony Grosso and Chris Palermo or one of PickleRage's other employees, all of whom can be contacted at 800-590-7472 and are located at 1000 5th Street, Suite 100, Miami Beach, FL 33139.

Issuance date: April 30, 2026

PickleRage authorizes the state agencies identified on Exhibit H-2 to receive service of process for it in those states.

I received a Franchise Disclosure Document dated April 30, 2026 that included the following Exhibits:

A Financial Statements
B Franchise Agreement
C Development Agreement
D List of Franchisees and Developers
E Franchisees and Developers That Left the System
F Table of Contents of Manual
G State-Specific Disclosures and Amendments to Agreements
H List of State Administrators and Agents for Service of Process
I Form of General Release
J State Effective Dates
K Receipts

_____
Date Received

_____
Prospective Franchisee

_____
Name (Please print)

_____
Address

Please keep this copy for your records

Exhibit K-2: FDD Receipts

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

If PickleRage Franchise LLC ("**PickleRage**") offers you a franchise, then PickleRage must provide this disclosure document to you at least 14 calendar days (but in Michigan and Rhode Island 10 business days; and in New York, 10 business days or at the earlier of the first personal meeting if earlier) before you sign a binding agreement with (or make a payment to) us or an affiliate in connection with the proposed development agreement or franchise agreement.

The franchisor is PickleRage Franchise LLC, with offices at 1000 5th Street, Suite 100, Miami Beach, FL 33139.

The franchise sellers are Tony Grosso and Chris Palermo or one of PickleRage's other employees, all of whom can be contacted at 800-590-7472 and are located at 1000 5th Street, Suite 100, Miami Beach, FL 33139.

Issuance date: April 30, 2026

PickleRage authorizes the state agencies identified on Exhibit H-2 to receive service of process for it in those states.

I received a Franchise Disclosure Document dated April 30, 2026 that included the following Exhibits:

A Financial Statements
B Franchise Agreement
C Development Agreement
D List of Franchisees and Developers
E Franchisees and Developers That Left the System
F Table of Contents of Manual
G State-Specific Disclosures and Amendments to Agreements
H List of State Administrators and Agents for Service of Process
I Form of General Release
J State Effective Dates
K Receipts

_____
Date Received

_____
Prospective Franchisee

_____
Name (Please print)

_____
Address

Please sign, date, and either mail this receipt page to PickleRage Franchise LLC at 1000 5th Street, Suite 100, Miami Beach, FL 33139, or scan and e-mail it to franchise@picklerage.com.