



FRANCHISE DISCLOSURE DOCUMENT

Playa Bowls Franchisor, LLC
A New Jersey limited liability company,
803 Ocean Avenue, Belmar, New Jersey 07719
Tel: (732) 257-8604
franchising@playabowls.com
www.playabowls.com

The franchise offered is for Playa Bowls®, a fast casual shop offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options. We offer individual unit Playa Bowls shop franchises and area development franchises for the development of multiple Playa Bowls shops within a designated territory.

The total investment necessary to begin operation of a Playa Bowls shop under a franchise agreement is \$188,675 to \$465,058. This includes \$35,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Playa Bowls shop under a multi-unit development agreement is \$223,675 for three locations to \$622,558 for 10 locations. This includes \$70,000 for three locations to \$192,500 for 10 locations that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Gary Moss, CDO, Playa Bowls Franchisor, LLC at 803 Ocean Avenue, Belmar, New Jersey 07719, and (732) 407-5979.

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 28, 2023



How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Playa Bowls business in my area?	Item 12 and the “territory” provisions in the franchise agreement and multi-unit development 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 Playa Bowls franchisee?	Item 20 or Exhibit D 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 agency information in Exhibit G.

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



Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement and multi-unit development agreement require you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in New Jersey. Out-of-state arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate or litigate with the franchisor in New Jersey than in your own state.
2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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



NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

The Michigan Franchise Law states in Sec. 445.1527, Sec. 27 that each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (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 this 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 five 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 six 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 sub-franchisor.
 - (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 \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Antitrust & Franchise
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373-7117



Playa Bowls®
Franchise Disclosure Document

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- A. Financial Statements
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Playa Bowls Franchisor, LLC, the franchisor of the Playa Bowls franchise is referred to in this franchise disclosure document (the “Disclosure Document”) as “we”, “us” or “our” as the context requires. A franchisee is referred to in this Disclosure Document as “you”, “your”, or “franchisee” as the context requires. If you are a corporation, partnership or other legal entity, our Franchise Agreement will also apply to your individual owners, shareholders, members, officers, directors and other principals.

The Franchisor

We are a New Jersey limited liability company established on June 21, 2016. Our principle place of business is 803 Ocean Avenue, Belmar, New Jersey 07719, and we do business under our corporate name and the Marks as described below. Our business is operating the Playa Bowls franchise system and granting franchises to third parties like you to develop and operate a Playa Bowls shop. We began offering franchises in July 2016. We have not offered franchises in any other line of business and we do not engage in any other business activity. We have not conducted a business of the type to be operated by the franchisee. Our registered agents for service of process are disclosed in Exhibit G of this Disclosure Document.

Our Parents, Predecessors and Affiliates

PB Group Holdings, LLC

Our parent company is PB Group Holdings, LLC (“Parent Company”). Our Parent Company is a Delaware limited liability company that was established on June 22, 2021. We became a wholly owned subsidiary of our Parent Company in July 2021.

Playa Bowls, LLC

Our affiliate Playa Bowls, LLC, is a New Jersey limited liability company that was established on July 11, 2014. This affiliate maintains a principle place of business at 803 Ocean Avenue, Belmar, New Jersey 07719. This affiliate owns one of the Marks that it has licensed to us so that we may sub-license the mark to our franchisees. This affiliate provides operational support and other services on behalf of our company owned Playa Bowls shop locations and food trucks. This affiliate is the parent company of the corporate entities that own and operate our company owned Playa Bowls shops and food trucks. This affiliate is not an approved supplier of any product or service that you must purchase or lease. This affiliate has not in the past and does not now offer franchises in any lines of business.

Playa Bowls IP, LLC

Our affiliate Playa Bowls IP, LLC is a New Jersey limited liability company established on April 22, 2016. This affiliate maintains a principle place of business at 803 Ocean Avenue, Belmar, New Jersey 07719. This affiliate owns some of the Marks, which it has licensed to us so that we may sub-license them to our franchisees. This affiliate has not in the past and does not now offer franchises in any lines of business.

Rabby, LLC

Rabby, LLC is a New Jersey limited liability company established on June 28, 2016. This affiliate maintains a principle place of business at 803 Ocean Avenue, Belmar, New Jersey, 07719. This affiliate has not in the past and does not now offer franchises in any lines of business.

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Description of Franchise

We offer franchises for the right to establish and operate a fast casual shop (each a “Shop” or “Franchised Business”) offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options (the “Approved Products and Services”). The Shops operate under the trade name and mark “Playa Bowls” and the additional principal trademarks, logos, and indicia of origin identified in Item 13. These principal marks and all other marks which may be designated by us in the future in writing for use with the System (defined below) are referred to in this Disclosure Document as the “Marks” or “Proprietary Marks”.

Playa Bowls Shops are operated under the Marks and the System in accordance with the terms of the Franchise Agreement. Playa Bowls Shops are typically located in shopping malls, strip centers, and other retail locations and will require approximately 1,500 to 2,000 square feet for a Shop location. Each Shop will offer dine-in and take out services. A Shop may, subject to our conditions and requirements, also offer delivery and catering services within the Shop’s Designated Territory.

The Shops are established and operated under a comprehensive and unique system (the “System”). The System includes distinctive signage, interior and exterior design, décor and color scheme; special recipes and menu items, including proprietary products and ingredients; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures (including point of sale and tracking systems); training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and the Confidential Operations Manual (the “Manual”), which you should expect to evolve over time, that are provided to you as a franchisee.

Franchise Agreement

We offer the right to establish and operate a Shop under the terms of a single unit Franchise Agreement within a designated territory (the “Franchise Agreement”). Our current form of Franchise Agreement is Exhibit B to this Disclosure Document. You may be an individual, corporation, partnership or other form of legal entity. Under the Franchise Agreement, certain parties are characterized as Franchisee’s Principals (referred to in this Disclosure Document as “your Principals”). The Franchise Agreement is signed by us, by you, and by your Principals. By signing the Franchise Agreement, your Principals agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities in which you or your Principals may be involved, we may require you or your Principals to sign additional confidentiality and non-competition agreements.

You must designate a general manager who will be the main individual responsible for your business (the “General Manager”). Your General Manager does not have to own an equity interest in you or the franchise. The General Manager must sign covenants to maintain the confidentiality of information he/she learns while employed as your General Manager, and your General Manager must sign non-competition covenants.

Multi-Unit Development Agreement

In certain circumstances we may offer the right to enter into a Multi-Unit Development Agreement in the form attached as Exhibit C to this Disclosure Document (the “Multi-Unit Development Agreement”) to develop multiple Shops within a described geographic area (the “Development Area”). We will determine the Development Area before you sign the Multi-Unit Development Agreement and it will be included in



the Multi-Unit Development Agreement. The total number of Shops that you will be required to develop and operate under a Multi-Unit Development Agreement will vary from three to 10 Shops as negotiated at the time of signing the Multi-Unit Development Agreement. Your Multi-Unit Development Agreement will include a development schedule containing a deadline by which you must have each Shop open and operating.

The Franchise Agreement for the first Shop developed under the Multi-Unit Development Agreement will be in the form attached as Exhibit B to this Disclosure Document, and we expect that you will sign the first Franchise Agreement at the same time you sign the Multi-Unit Development Agreement. For each additional Shop developed under the Multi-Unit Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document. The size of the Development Area will vary depending upon local market conditions and the number of Shops to be developed.

Market and Competition

The market for restaurants in general is well developed and intensely competitive. You will serve the general public and will compete with a variety of businesses, including locally owned to regional, national and chain restaurants, some of which may be franchise systems. We may establish other Shops in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area. Also, we may sell products through the internet and other means of distribution to customers at any location, which may be located in the area of your Shop.

Industry Regulations

The restaurant industry is heavily regulated. A wide variety of Federal, state and local laws, rules and regulations have been enacted that may impact the operation of your Shop, and may include those which: (a) establish general standards, zoning, permitting restrictions and requirements and other specifications and requirements for the location, construction, design, maintenance and operation of the Shop's premises; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants and laws and regulations relating to access by persons with disabilities; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; available of and requirements for public accommodations and requirements for fire safety and general emergency preparedness; (d) establish requirements for food identification and labeling; and (e) regulate advertisements. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Shop and you should consider both their effect and costs of compliance.

Many of the laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to restaurants. The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and restaurant sanitary conditions. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for



restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA.

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Shop, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your Shop. You should independently research and review the legal requirements of the food services industry with your own attorney before you sign any binding documents or make any investments. Each of your managers and other employees we designate must be ServSafe (or similar) certified.

ITEM 2 **BUSINESS EXPERIENCE**

Dan Harmon, Chief Executive Officer (CEO)

Mr. Harmon is our CEO and he has served in this role since March 2023. Before joining Playa Bowls Mr. Harmon served as Smoothie King's President from August 2019 to February 2023 and Smoothie King's Chief Operating Officer from August 2017 to February 2023 in Dallas, Texas. Before joining Smoothie King, Mr. Harmon served as Senior Vice President of Operations for Papa Murphy's International LLC in Vancouver, Washington from July 2013 to August 2017.

Robert Giuliani, Chief Innovation Officer (CIO)

Mr. Giuliani is our CIO and he has served in this role since March 2023. From July 2021 to March 2023, Mr. Giuliani served as our CEO. Since our initial formation in June 2016 to July 2021, Mr. Giuliani was one of our Managing Members. Since June 2016 and continuing to present, Mr. Giuliani has been an owner of our affiliate, Rabby LLC and, since April 2016 and continuing to present, Mr. Giuliani has been an owner of our affiliate, Playa Bowls Pier Village LLC. Since July 2014 and continuing to present, Mr. Giuliani has been an owner of our affiliate, Playa Bowls, LLC. Since July 2021, Mr. Giuliani has served as and continues to serve a member of our board.

David Krisher, Chief Financial Officer (CFO)

Mr. Krisher is our CFO and he has served in this role since January 2023. From December 2021 to January 2023, Mr. Krisher was CFO of Krystal Restaurants LLC in Atlanta, Georgia. From August 2019 to December 2021, Mr. Krisher was CFO of Ascent Hospitality Management in Atlanta, Georgia. From February 2019 to August 2019, Mr. Krisher was Vice President of Finance and Accounting at Huddle House, Inc. in Atlanta, Georgia. From October 2018 to January 2019, Mr. Krisher was Director, Financial Planning and Analysis at BlueLinx in Atlanta, Georgia.

Abby Taylor, Chief Marketing Officer (CMO)

Ms. Taylor is our CMO and she has served in this role since July 2021. Since our initial formation in June 2016 to July 2021, Ms. Taylor was one of our Managing Members. Since June 2016 and continuing to present, Ms. Taylor has been an owner of our affiliate, Rabby LLC and, since April 2016 and continuing to present, Ms. Taylor has been an owner of our affiliate, Playa Bowls Pier Village LLC. Since July 2014 and continuing to present, Ms. Taylor has been an owner of our affiliate, Playa Bowls, LLC.

Gary Moss, Chief Development Officer (CDO)

Mr. Moss is our CDO and he has served in this role since July 2021. From January 2017 to June 2021, Mr. Moss was our Vice President of Business Development and Operations.



Danielle Mendoza, Business Development Manager

Mrs. Mendoza is our Business Development Manager and she has served in this role since July 2021. From October 2019 through June 2021, Mrs. Mendoza was our Executive Assistant. From 2018 to 2019 Mrs. Mendoza was a Research Assistant at Princeton University in Princeton, New Jersey. In 2018 Mrs. Mendoza was a Research Assistant at the University of California Berkeley in Berkeley, California. From 2015 through 2018, Mrs. Mendoza was a Technical Recruiter at Insight Global in Morristown, New Jersey.

Darlene Schoeneberg, Vice President of Operations

Mrs. Schoeneberg is our Vice President of Operations and she has served in this role since October 2022. Mrs. Schoeneberg grew up in the restaurant industry and spent her last 20 years with Dunkin Brands where she led the company's largest DMA. From February 2010 to January 2021, Mrs. Schoeneberg was Director of Operations at Inspire Brands.

Mark Hauser, Chairman

Mr. Hauser is the Chairman of our Parent Company and he has served in this role since June 2021. Since October 2019 and continuing to date, Mr. Hauser has been the Managing Partner of Tamarix Equity Partners in New York, New York. From December 2013 to September 2019, Mr. Hauser was Senior Managing Director with OFS Management in New York, New York.

Matthew Yoon, Vice Chairman

Mr. Yoon is the Vice Chairman of our Parent Company and he has served in this role since June 2021. Since June 2019 and continuing to date, Mr. Yoon has been the Managing Partner and Chief Executive Officer of Pacific General in New York, New York. From January 2016 to June 2019, Mr. Yoon was a Partner of Pi Capital International in New York, New York.

Gary Matthews, Director

Mr. Matthews is a Director of our Parent Company and he has served in this role since June 2021. Since September 2020 and continuing to date, Mr. Matthews is and continues to serve as a Managing Partner of Tamarix Equity Partners in New York, New York. From February 2019 to August 2020, Mr. Matthews was CEO and Director of IES Holdings in Houston, Texas. From September 2007 to February 2019, Mr. Matthews was Managing Director of Morgan Stanley Capital Partners in New York, New York.

Brendan Brier, Director

Mr. Brier is a Director of our Parent Company and he has served in this role since June 2021. Since October 2020 and continuing to date, Mr. Brier is and continues to serve as a Principal of Tamarix Equity Partners in New York, New York. From January 2020 to September 2020, Mr. Brier was Chief Strategy Officer of IES Holdings in Greenwich, Connecticut. From July 2014 to December 2019, Mr. Brier was Senior Vice President of Corporate Strategy at AECOM in Los Angeles, California.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

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ITEM 5
INITIAL FEES

Franchise Agreement

When you sign a Franchise Agreement you will pay to us a non-refundable initial franchise fee in the amount of \$35,000 (the “Initial Franchise Fee”). For individuals who were honorably discharged from any branch of the United States Military the Initial Franchise Fee for your first Shop is discounted by 15%. This discount must be requested at the time of your initial franchise application and requires documented military service.

The Initial Franchise Fee is fully earned by us upon payment. The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer through this Disclosure Document. During the fiscal year ending December 31, 2022, the initial franchise fees for 58 franchisees’ agreements were discounted to an initial franchise fee between \$25,000 to \$30,000. There were 24 franchisees either signing a single unit or multi-unit pack that had agreements discounted. No other franchise fees were discounted or waived in 2022.

Multi-Unit Development Agreement

If you sign a Multi-Unit Development Agreement, you must pay to us a fixed non-refundable development area fee (the “Development Area Fee”) in an amount equal to 50% of the Initial Franchise Fee for each additional Shop, over and above your first Shop, authorized for development under the Multi-Unit Development Agreement. The minimum number of Shops that you may agree to develop is three and the maximum is 10. The Development Area Fee is \$70,000 for three locations to \$192,500 for 10 locations.

The Development Area Fee is in addition to the Initial Franchise Fee of \$35,000 that you will pay to us at the time of signing the Franchise Agreement for your first Shop. At the time of signing the Franchise Agreement for each additional Shop authorized by the Multi-Unit Development Agreement, you will pay to us 50% of the Initial Franchise Fee. The Development Area Fee is fully earned by us upon payment, represents consideration for a designated development area and, our profit. The method we use to calculate the Development Area Fee is uniform for all franchises that we offer through this Disclosure Document.

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ITEM 6
OTHER FEES

Type of Fee ^(Note 1)	Amount	Due Date	Remarks
Royalty Fee ^(Note 2)	6% of Gross Sales	Monthly on the 10 th day of each month	Calculated based on Gross Sales for the previous calendar month. May be debited automatically from your bank account by ACH or other means designated by us. Currently monthly, but we may change to weekly.
National Marketing Fund ^(Note 3)	Up to 3% of Gross Sales, currently 2% of Gross Sales	Monthly together with the Royalty Fee	May be debited automatically from your bank account by ACH or other means designated by us.
Local Marketing	1% of Gross Sales	Monthly	You must spend not less than 1% of your monthly on pre-approved marketing within your designated territory.
Cooperative Marketing ^(Note 4)	As authorized by us and as determined by the members, but not more than 1% of Gross Sales	As determined by the members	If we authorize the formation of a marketing cooperative, you must join the cooperative. Any money you contribute to a cooperative will count toward your local marketing requirement.
Initial Training for Additional, New or Replacement Employees	Our then current per person training fee, plus expenses. Our current per person training fee is \$1,000	Before Training	Our initial training program will be provided, at no additional charge, for up to three individuals comprised of you, your General Manager and one additional person. If you request that we offer initial training for any additional individuals or, if you request or we require that any new or replacement employees participate in our initial training program, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages.
Additional On-Site Training/Remedial Training	Our then current per diem rate per trainer, plus expenses. Our current per diem rate is \$400 per trainer, per day	When billed	If you request that we provide additional training at your Shop, or if as the result of an inspection or quality assurance audit we believe that remedial training is necessary, you must pay our daily fee for each



Type of Fee ^(Note 1)	Amount	Due Date	Remarks
			trainer we send to your Shop, and you must reimburse each trainer's expenses, including travel, lodging and meals.
Late Fee	\$50	On demand	Payable for any payment owed to us that is more than five days late and is in addition to interest on the overdue amount.
Interest	18% per annum or the highest interest rate allowed by applicable law, whichever is less	On demand	May be charged on all overdue amounts. Accrues from the original due date until payment is received in full.
Audit Fee	Cost of audit. Estimated to be between \$1,000 and \$5,000	When billed	Payable only if we find, after an audit, that you have understated Gross Sales by 2% or more or you have understated any amount you owe to us. You must also pay the understated amount plus late fees and interest.
Insufficient Funds Fee	\$100 per occurrence, plus actual bank charges incurred	On demand, if incurred	Payable if there are insufficient funds in your account to pay fees due to us. If you incur three insufficient funds fees in any 12 month period, we have the right to terminate your Franchise Agreement.
On-Site Evaluation Fee	\$250 per day, plus reimbursement of our representative's reasonable costs incurred	When billed	At our election, we may conduct one on-site evaluation of the location you propose for your Shop before we approve it for your Shop.
Inspection/Product and Supplier Evaluation	Reimbursement of our reasonable costs	On demand	Payable if you request that we evaluate a product or supplier that not previously approved or designated by us and that you request for approval. Also payable if we determine that your Shop is offering items that do not conform to our specifications.
Liquidated Damages	An amount equal to the average monthly royalty fees paid or owed by you	15 days after termination	Payable to us in the event that your Franchise Agreement is terminated prior to the expiration of the original



Type of Fee ^(Note 1)	Amount	Due Date	Remarks
	during the 12 month period preceding the termination date, multiplied by (a) 24, or (b) the number of months remaining in your Franchise Agreement had it not been terminated, whichever is lower.		term or, if applicable, the renewal term, of your Franchise Agreement.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur, including attorneys' fees, in enforcing or terminating the agreement.
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the trademarks in an unauthorized manner.
Repair, Maintenance, and Remodeling/ Redecorating	Will vary under circumstances	As incurred	Payable to approved suppliers. You must regularly clean, maintain, and repair your Shop and its equipment. We may require you to remodel or redecorate your Shop to meet our then current image for all Playa Bowls Shops. We will not require you to remodel or redecorate your Shop more frequently than every five years.
Charges for "mystery shopper" quality control evaluation ^(Note 5)	As determined by us but not less than \$400 per event or month	Monthly	The mystery shopper program is separate from our programs for customer surveys and customer satisfaction audits that may require you to accept coupons from participating customers for discounted or complimentary items.
ServSafe Certification	\$150 per person or the then current market rate	As needed	Each of your managers and other employees we designate must be ServSafe or similarly certified. Payable to an approved supplier.



Type of Fee ^(Note 1)	Amount	Due Date	Remarks
Insurance Premiums	Reimbursement of our costs, plus 20% administrative fee	On demand	If you do not maintain the required insurance coverages, we have the right, but not the obligation, to obtain insurance on your behalf.
Management Fee	10% of Gross Sales, plus expenses	If incurred	We may step in and manage your Shop in certain circumstances, such as death, disability or prolonged absence. We will charge a management fee if we manage your Shop, and you must reimburse our expenses.
Gift Card Program	\$220, approximately, for initial inventory of 250 cards including shipping \$19.95 per month for use of the app. \$5 per month for monthly pooling fee	As incurred	Payable to approved supplier, Clover. You must participate in our gift card program. Gift cards will be available for sale and redemption at any Shop in the System.
Prohibited Product or Service Fee	\$250 per day for each day the infraction continues	As incurred	If you offer any product or service that we have not approved
Online Ordering Program	\$49.99 for up to 500 transactions each month, then \$0.10 for each additional transaction that calendar month	Monthly	Payable to the current approved supplier, Tap Mango Inc. You must participate in this program.
Employee Scheduling and Timekeeping	\$3 per month per active employee	Monthly	Payable to the current approved supplier
Payroll Service & Processing	\$200 one-time set-up fee \$157.95 base rate, plus \$3.10 processing fee per employee over 4, less 49.99% discount and 30% off W-2 processing	Bi-weekly	Payable to approved payroll supplier. These fees are assessed each pay period.
Refresher Training or Franchisee Meeting	Our then current per person fee, plus expenses. Current fee is \$400 per person	Before the refresher training session or	If we choose to hold a refresher training program or a meeting of our franchisees, we may charge a per person fee for each person attending



Type of Fee ^(Note 1)	Amount	Due Date	Remarks
		franchisee meeting	the training session or meeting. We may designate that attendance at the training session or meeting is mandatory for you, your General Manager and other personnel, and you must pay each of your attendee's expenses while attending the training session or meeting, including travel, lodging, meals and wages.
Loyalty Program	\$190 per 8" Tablet with Stand \$230 per 1,000 Keychain Tags	Monthly	Payable to our approved supplier, Tap Mango Inc. You must participate in this program and you must have at least one tablet available at the point of sale for customer registrations.
POS Integration for Third party Delivery	\$100 POS Configuration Fee \$150 Menu Mapping Fee Third party Online Order Service Fee ("TOOS") is \$78.99 for an unlimited number of TOOS	As incurred (one-time fee) As incurred (one-time fee) Monthly	Payable to current approved supplier. You must participate in the third party delivery program and you must conduct the full integration through the POS system
Technology Fee ^(Note 6)	Up to \$450 per month, currently \$90 per month	Monthly as invoiced	May be debited automatically from your bank account by ACH or other means designated by us.
Relocation Fee	Reimbursement of our costs	Upon approval of a relocation request	If we approve your relocation request, you must reimburse us for our reasonable expenses related to your relocation request.
Transfer Fee	\$10,000	Upon completion of the transfer	No fee charged for a one-time transfer from individual(s) to a Corporate Entity formed for convenience of ownership of the franchise.
Renewal Fee	Our then current initial franchise fee	Upon renewal	Payable if we approve your renewal request.

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Explanatory Notes to Item 6

Note 1: Type of Fee – All fees described in this Item 6 are non-refundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase the fees over which we have control, but as noted in the chart above and in these notes, we have the right to increase certain fees upon notice to you.

Note 2: Royalty Fees – For the purposes of determining the royalties to be paid under the Franchise Agreement, “Gross Sales” means the total selling price of all services and products and all income of every other kind and nature related to the Shop, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point-of-sale system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments. As described in Item 11, the computer system is designed to enable us to have independent access to the information monitored by the system. This will permit us to electronically inspect and monitor your Shop’s Gross Sales numbers contained or stored in the equipment and software. At the end of each month, we download Gross Sales and other information from your computer system. We will calculate your Royalty and National Marketing Fund Fees based on the Gross Sales information and we will bill you. The Royalty Fee and National Marketing Fund Fee may be withdrawn from your designated bank account by electronic funds transfer (“EFT”) monthly on the 10th of the following month based on the Shop’s Gross Sales for the preceding calendar month. If we are unable to download the Shop’s Gross Sales, we may debit your account for 120% of the last Royalty Fee and National Marketing Fund Fee that we debited. If the fees we debit are less than the fees you actually owe us, once we have been able to determine the true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the fees we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following month. If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

Note 3: National Marketing Fund Fees – We have established and administer a National Marketing Fund on behalf of the System (the “National Marketing Fund Fee”). The National Marketing Fund Fee is a continuing monthly fee equal to an amount of up to 3% of your monthly Gross Sales. Currently we charge a National Marketing Fund Fee equal to an amount of 2% of your monthly Gross Sales.

Note 4: Cooperative Marketing Fees – If two or more Shops are operating within a geographic area, region, or market designated by us (a “designated market”), we reserve the right to establish and require your participation in a local or regional advertising cooperative within the designated market. If a local or regional advertising cooperative is established within a designated market that includes your Shop(s), you will be required to participate in the cooperative and make on-going payments to the cooperative in such amounts and subject to such caps as established by the cooperative members. We anticipate that each Shop franchisee will have one vote for each Shop located within the cooperative market and that cooperative decisions shall be made based on approval of a simple majority vote with a quorum of not less than 25% of the designated cooperative members. Contributions to a local or regional cooperative that we designate will count toward satisfaction of your minimum local marketing requirements.

Note 5: Mystery Shopper – We may use an independent service to conduct a “mystery shopper” quality control and evaluation program. You must participate in this program, and we may require that you pay the then current charges imposed by the evaluation service as we direct, either directly to the evaluation service provider or to us as a reimbursement.



Note 6: Technology Fee - The continuing monthly technology fee is an administrative technology fee charged by us and used, at our discretion, to defray some of our costs related to technology platforms that may benefit your Shop (the “Technology Fee”).

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ⁽¹⁾	\$35,000	Lump Sum	When Franchise Agreement Signed	Us
Rent – Three Months ⁽²⁾	\$7,500 – \$25,000	As arranged	As arranged	Landlord
Lease Security Deposit ⁽³⁾	\$2,500 – \$8,333	As arranged	As arranged	Landlord
Utility Security Deposit ⁽³⁾	\$0 – \$1,500	As arranged	As arranged	Utility Companies
Design and Architect Fees ⁽⁴⁾	\$4,500 – \$10,000	As arranged	As arranged	Designer or Architect
Leasehold Improvements ⁽⁵⁾	\$50,000 – \$185,000	As arranged	As arranged	Contractor
Signage ⁽⁶⁾	\$2,000 – \$12,000	As arranged	As arranged	Suppliers
Equipment, Furniture and Fixtures ⁽⁷⁾	\$50,000 – \$90,000	As arranged	As arranged	Suppliers
Point of Sale & Computer Equipment ⁽⁸⁾	\$1,300 – \$2,600	As arranged	As arranged	Suppliers
Business Licenses & Permits ⁽⁹⁾	\$2,000 – \$4,000	As arranged	As arranged	Government Agencies
Professional Fees ⁽¹⁰⁾	\$1,000 – \$3,000	As arranged	As arranged	Attorney, Accountant



Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Insurance ⁽¹¹⁾	\$1,875 – \$2,625	As arranged	As arranged	Insurance Companies
Initial Inventory ⁽¹²⁾	\$10,000 – \$30,000	As arranged	As arranged	Suppliers
Training Expenses ⁽¹³⁾	\$1,000 – \$6,000	As arranged	As arranged	Airline, Hotel, Shop, etc.
Grand Opening Marketing ⁽¹⁴⁾	\$10,000	As arranged	As arranged	Suppliers, our designated vendor
Additional Funds – Three Months ⁽¹⁵⁾	\$10,000 – \$40,000	As arranged	As arranged	As determined by you
Total Estimate ⁽¹⁶⁾	\$188,675 – \$465,058			

Explanatory Notes to Item 7 for a Franchise Agreement

Note 1: Initial Franchise Fee – The Initial Franchise Fee for a single franchise under a Franchise Agreement is \$35,000.

Note 2: Rent – You must develop and operate your Playa Bowls Shop from a retail location that we approve and that, generally, will include locations within free-standing buildings or end caps of a strip shopping center, shopping malls, or in a downtown setting. This estimate assumes that you will be leasing a Shop location comprised of an approximate 1,500 to 2,000 square foot facility. Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, your lease may require that you pay common area maintenance charges for your pro rata share of real estate taxes, insurance, and your pro rata share of other charges related to common areas and otherwise related to your leased location. The actual amount you pay under the lease will vary depending on the size of the Shop, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region. If you choose to purchase real property on which to build your Shop, your initial investment will probably be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

Note 3: Lease Security Deposit / Utility Security Deposit – Our estimate assumes that you will need to provide one month of rent as a security deposit to your landlord. You may also be required by your utility companies including, gas, water and/or electric, to provide security deposits.

Note 4: Design and Architect Fees – You must obtain construction plans for the build-out of your Shop according to our specifications. We have the right to designate and/or approve of the designer and/or architect you use.



Note 5: Leasehold Improvements – The cost of leasehold improvements will vary depending on factors, that include: (a) the size and configuration of the premises; (b) pre-construction costs including, demolition of existing walls and removal of existing improvements and fixtures; and (c) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out of your Shop. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These costs may also vary depending on whether certain of these costs will be incurred by the landlord or through landlord tenant improvement contributions, and the condition of the space before you take possession of the premises. The low end of our estimate assumes that you have leased space that previously operated as a restaurant and that you will convert to a Playa Bowls Shop. The high end of our estimate assumes that you have leased a “vanilla box” space and that more improvements are required. Our estimate does not include any tenant improvement allowance that you may negotiate.

Note 6: Signage – These amounts represent your cost for 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.

Note 7: Equipment, Furniture and Fixtures – Required equipment include reach-in or walk-in refrigerator, reach-in or walk-in freezer, low-boy refrigerator/freezers, ice maker, prep tables, small wares, commercial grade blenders, commercial grade juicers, and custom-built knee wall keggerator. The furniture and fixtures required for your Shop includes tables, chairs, stools, menu board and décor items.

Note 8: Point of Sale & Computer Equipment – You must purchase the point-of-sale system that we designate. Additional information regarding the required point of sale and computer equipment is included in Item 11.

Note 9: Business Licenses and Permits – These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year. These figures do not include occupancy and construction permits which are included in the leasehold improvements estimate. The cost of these permits and licenses will vary substantially depending on the location of the Franchised Business. We recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

Note 10: Professional Fees – We recommend that you engage an accountant and a franchise attorney to advise you in your evaluation of the franchise we are offering.

Note 11: Insurance – These figures are estimates of the cost of the annual premiums for the first three months of insurance you must obtain and maintain for your Shop, as described in Item 8. Insurance premiums may be payable monthly, quarterly, semi-annually or annually, based on the insurance company’s practices and your creditworthiness.

Note 12: Initial Inventory – These amounts represent your initial inventory of food and beverage supplies, paper products, and cleaning materials and supplies.

Note 13: Training Expenses – We provide, at no additional charge, initial training for up to three people comprised of you, your General Manager and one additional person. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. The low end of our estimate assumes the trainees are within driving distance of our training facility.



Note 14: Grand Opening Marketing – You must conduct a grand opening marketing campaign and you must spend at least \$10,000 on your campaign during your first three months of operation. We may designate a different time period for you to conduct the grand opening marketing. Your grand opening marketing campaign must include giveaways of food samples and other promotions, as we require, and must comply with our standards, specifications, and approval process before it is conducted. We may require that you use our designated supplier for grand opening marketing and promotion.

Note 15: Additional Funds – This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities only for the initial three month period following the opening of your Shop. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you financed the development of your Shop. This is only an estimate for your initial three months of operations and more working capital and additional funds may be required depending on the sales and performance of your Shop. Before signing a Franchise Agreement, you should consult with your accountant and advisor to budget and determine the amount of additional funds that should be reserved and set aside by you to support and capitalize the long-term operations of your Shop.

Note 16: Total – In making these estimates, we have relied on the experiences of our affiliates and franchisees in developing and operating Shops. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. In general, none of the expenses identified in Item 7 are refundable. We do not finance any portion of your initial investment. All of our estimates assume that you will purchase the required items. Your costs may be lower if you choose to lease some items.

B. Multi-Unit Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Area Fee ⁽¹⁾	\$35,000 – \$157,500	Lump sum	When Franchise Agreement and Multi-Unit Development Agreement are signed	Us
Estimated Initial Investment to Open One Shop ⁽²⁾	\$188,675 – \$465,058	Estimated Initial Investment is based on estimate contained in Table A, above, of this Item 7, for a Franchise Agreement. See, Table A		
Total Estimate ⁽³⁾	\$223,675 – \$622,558			

Explanatory Notes to Item 7 for a Franchise Agreement and a Multi-Unit Development Agreement

Note 1: Development Area Fee and Franchise Fees – When you sign a Multi-Unit Development Agreement you will also sign a Franchise Agreement for your first Shop. At the time of signing your Multi-Unit Development Agreement, in addition to paying us the Franchise Fee for your first Shop, you will pay to us a Development Area Fee. The amount of the Development Area Fee is \$17,500 for each additional Shop, over and above your first Shop, authorized for develop within the Development Area. The minimum number of Shops that you may be authorized to develop under a Multi-Unit Development Agreement is



three and the maximum number is 10. In addition to the Development Area Fee and the Initial Franchise Fee for your first Shop, at the time of signing the Franchise Agreement for each additional Shop authorized under your Multi-Unit Development Agreement, you will pay to us an Initial Franchise Fee in the amount of \$17,500.

Note 2: Estimated Initial Investment – This is the estimated initial investment for the development of one Playa Bowls Shop under a Franchise Agreement as reflected in Table A of this Item 7.

Note 3: Total Estimate – This is the total estimated investment to enter into a single unit Playa Bowls Franchise Agreement and a Multi-Unit Development Agreement. This estimate is only for the development of one Playa Bowls Shop. Except for your first Shop, this estimate does not include the estimated initial investment that you will incur each and every time you develop a Shop as may be authorized under your Multi-Unit Development Agreement and pursuant to the terms of each respective Playa Bowls Franchise Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase or lease and install all fixtures, furnishings, equipment including, point of sales system, computer hardware and software, décor items, uniforms, signs and related items that we require, all of which must conform to the standards and specifications stated in our Confidential Operations Manual (“Manual”) or otherwise in writing by us, unless you have first obtained our written consent to do otherwise and such written consent has not been withdrawn. You may not install or permit to be installed on the Shop premises any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items without our written consent or that do not comply with our specifications.

You may only offer and sell the Approved Products and Services. You must operate the Shop in strict conformity with the methods, standards and specifications that we prescribe in the Manual or otherwise in writing. You must maintain in sufficient supply and use and sell at all times only those food and beverage items, ingredients, products, materials, supplies and paper goods that meet our standards and specifications. All menu items must be prepared in accordance with the recipes and procedures specified in the Manual or other written materials. You must not deviate from these standards and specifications by the use or offer of non-conforming items, or differing amounts of any items, without obtaining our written consent first. We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you notice in the Manual or otherwise in writing (such as via email) of any changes in our standards and/or specifications.

You must permit us or our agents, during normal business hours, to remove a reasonable number of samples of food or non-food items from your inventory or from the Shop free of charge for testing by us or by an independent laboratory to determine whether the samples meet our then current standards and specifications. In addition to any other remedies we may have, we may require you to reimburse our costs for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications.

You must obtain all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including point of sale system and communication systems), and other products used or offered for sale at the Shop solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then current standards or in accordance with our standards and specifications. All suppliers, and specifically suppliers for food and beverage items, must be pre-approved by us according to the procedure detailed below. A complete list of our approved products and suppliers will be included in the Manual and is subject to change over time. We will provide you notice in the Manual or otherwise in writing (such as via email) of any changes to the lists of approved products and approved suppliers.



You will be required to purchase acai and coconut products for use in our recipes and menu items from our designated distributors who purchase exclusively from our designated supplier, Yummy Acai LLC. or as may be otherwise designated by us in writing. Our affiliate, Rabby LLC, has a revenue share arrangement with Yummy Acai LLC where Rabby LLC receives rebates on tub and case sales of acai and coconut. During the 2022 calendar year our affiliate Rabby LLC received \$1,603,036 in revenue from our designated supplier as a result of franchisee purchases. Except as otherwise disclosed, currently, we and our affiliates are not approved or designated suppliers for any other product or service you must purchase or lease. None of our officers has an ownership interest in any approved or designated supplier.

If you wish to purchase, lease or use any products that we have not previously approved, or purchase or lease from a supplier we have not previously approved, you must submit a written request for approval or you must request the supplier to do so. You must reimburse our reasonable costs related to our testing and inspection. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing. We have the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then current standards. Our supplier approval procedure does not obligate us to approve any particular supplier. We do not have a specific timeframe for providing notification to you, but we will use our best efforts to notify you in writing within 30 days after you have requested our approval whether the proposed product or supplier is, in fact, approved or disapproved. We are not required to make available to you or to any supplier our criteria for product or supplier approval. We are not obligated to approve any specific product or supplier. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval. We may revoke our prior approval of any product or supplier at any time, and after your receipt of written notice from us regarding our revocation you must stop using that product or stop purchasing from that supplier.

We and/or our affiliates may develop for use in the System certain products which are prepared from confidential proprietary recipes and other proprietary products which bear the Marks. Because of the importance of quality and uniformity of production and the significance of those products in the System, it is to your and our benefit that we closely control the production and distribution of those products. Therefore, you will use only our proprietary recipes and other proprietary products and will purchase those items solely from us or from a source designated by us all of your inventory of those products.

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 in which you must participate. When determining whether to grant new, additional or renewal franchises, we consider many factors, including your compliance with the requirements described in this Item 8, but your compliance with these requirements does not automatically give you the right to an additional or renewal franchise.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Shops in our System. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers.



There is currently one purchasing arrangement with Pepsi where Pepsi is our only approved soft drink supplier. The agreement provides us with marketing support funds based on case sales of approved products. We also receive new outlet support funds when new locations open, and rebates for volume purchases based on case sales. We and our affiliates will receive any and all of these rebates. We and our affiliates may collect and retain any or all of these rebates, without restriction, and will earn revenue as a result of these rebates. We may also choose to contribute these rebates to the National Marketing Fund, but if we do so it does not reduce or eliminate your requirement to pay the National Marketing Fund Fee. During the fiscal year ending December 31, 2022, we earned, directly or through our affiliates, \$1,603,036 in rebates from franchisee purchases including rebates related to Pepsi and Yummy Acai LLC. This represents 15.79% of our total revenue of \$10,153,293.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). We may also choose to contribute these Allowances to the National Marketing Fund, but if we do so it does not reduce or eliminate your requirement to pay the National Marketing Fund Fee. For the fiscal year ending December 31, 2022, neither we nor our affiliates earned revenue from Allowances, except for the revenues associated with the Yummy Acai and Pepsi agreements as stated above.

If you provide catering or delivery services, we anticipate that your employees will use their personal vehicles to provide these services from your Shop. We have the right to require you to have temporary signage placed on each delivery vehicle. We expect that all delivery vehicles will be kept clean, in good working order and be properly insured. You must have each person providing those services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles. Except as described in this paragraph, we do not have any standards or exercise control over any motor vehicle that you use.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Shop) 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. You must obtain our approval before you use any advertising and promotional materials and plans if we have not prepared or approved them during the 12 months before their proposed use. Any advertising and promotional materials you submit to us for our review will become our property.

You must obtain our acceptance of the site for the Shop before you acquire the site. You must also obtain our acceptance of any contract of sale or lease for the Shop before you sign the contract or lease. You must provide us with a copy of the fully signed lease for the Shop premises. We require you and your landlord to sign a Collateral Assignment of Lease which permits us to assume your lease in certain circumstances, including the termination or expiration of your Franchise Agreement (Attachment 2 to the Franchise Agreement).

Your Shop must be constructed according to plans that we have approved. We will provide you with sample plans and/or our specifications for a Playa Bowls Shop, and we have the right to designate the architect/designer that you must use. We also have the right to approve the contractor you select. You must arrange for construction plans to be created that incorporate our requirements into the size and shape of the approved site for your Shop. You may not use the plans or begin building out your Shop until we have accepted the construction plans, and any changes to the construction plans must also be approved by us



before the change may be implemented. Our review is not meant to assess compliance with any applicable laws, regulations or building codes. Our review is only to verify that the construction plans accurately present our trade dress, the Marks and meet our specifications. We have the right to inspect your Shop while it is being constructed. You may not open your Shop for business without our approval. You must certify to us that your Shop has been constructed in compliance with the Americans with Disabilities Act.

Before you begin construction on the Shop, you must obtain the insurance coverage for the Shop that is required by the terms of your lease and applicable law, and that we specify in the Manual or otherwise in writing. Your insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible, duly licensed carrier or carriers acceptable to us. All insurance must be on an “occurrence” basis. You must obtain and provide us with evidence of insurance in at least the minimum amounts and with the coverages as follows:

- (a) Commercial General Liability insurance on the latest version of ISO form CG 00 01 or its equivalent, with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the general aggregate. There may be no products liability or completed operations exclusion. There may be no “injury to subcontractor employee” (or its equivalent) exclusion. The commercial general liability policy must provide coverage to you for the hold harmless and indemnity clauses contained in the Franchise Agreement;
- (b) Umbrella or Excess Liability Insurance with limits of \$2,000,000 per occurrence and \$2,000,000 general aggregate;
- (c) Property Insurance for all of your property for its full Replacement Cost written on a Causes of Loss - Special Form or equivalent type policy. Property Insurance must be maintained with a deductible of no more than \$5,000;
- (d) Commercial Automobile Liability Insurance, covering any liabilities of yours and ours with respect to the ownership, maintenance, or use of any auto used in connection with the business, on a form equal to the latest version of ISO form CA 00 01 with a limit of a minimum of \$1,000,000 Combined Single Limit;
- (e) Workers’ Compensation insurance as required by law;
- (f) Employers’ Liability insurance with limits not less than \$1,000,000 each accident, \$1,000,000 each employee by disease and \$1,000,000 policy limit by disease;
- (g) Employment Practices Liability Insurance, including third party coverage, with limits not less than \$1,000,000 per claim and aggregate. We must be endorsed as a Co-Defendant;
- (h) Data Breach Expense/Cyber Liability Insurance, including first and third party coverage with limits no less than \$1,000,000, and regulatory expense coverage of no less than \$250,000; and
- (i) all other insurance required by law or that we may reasonably require.

A current and acceptable Certificate of Insurance must be initially provided at least 10 days before you begin construction of your Playa Bowls Franchised Business. A renewal Certificate of Insurance must be provided no later than 10 days before the expiration date of each policy. Each required policy of liability insurance must name Playa Bowls, LLC, Playa Bowls IP LLC and Playa Bowls Franchisor LLC as Additional Insureds by use of ISO endorsement CG 20 29 04 13 (Additional Insured- Grantor of Franchise). Each required property insurance policy must name Playa Bowls, LLC, Playa Bowls IP LLC and Playa



Bowls Franchisor LLC as loss payee as its interests may appear. We have the right to request a complete copy of your insurance policies for the purpose of verifying the required coverages. All contractors and vendors used by you must comply with these insurance requirements and it is your responsibility to monitor any such insurance. Your insurance policies must include a Waiver of Subrogation in favor of Playa Bowls. All policies must be written with insurance companies authorized to do business by the state where your Shop will operate. The insurance carriers you choose must be rated at least A minus (policy holders rating) and VII (financial rating) by A.M. Best Company. If you or any of your vendors or contractors utilize a surplus lines insurance company (non-admitted carrier), we must be provided with a complete copy of the policies, in addition to the Certificate of Insurance. All policies must be endorsed to require at least 30 days advance notice of cancellation, non-renewal, or reduction in coverage (or 10 days advance notice in the case of non-payment of premium) and sent by certified mail to us. You must also purchase any insurance required by the terms of your lease or that we may require in the future.

All insurance policies, except for worker's compensation, must name us, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds. Also, all insurance policies required by us must expressly provide that no less than 30 days' prior written notice must be given to us in the event of a material alteration to or cancellation of the policies. You must provide us with a certificate of insurance showing that you have obtained the required policies before construction of your Shop begins and upon each policy's renewal. We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We have the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes. If you do not obtain any insurance as required, we have the right (but not the obligation) to purchase insurance for you and you must reimburse our costs related to this purchase plus pay to us a 20% administrative fee.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 57% to 67% of your total purchases in establishing your Shop, and approximately 70% of your total purchases in the continuing operation of your Shop.

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ITEM 9
FRANCHISEE’S OBLIGATIONS

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

In the table below, the following abbreviations have these meanings: FA means the Franchise Agreement and MUDA means the Multi-Unit Development Agreement.

Obligation	Article or Article in Agreement	Disclosure Document Item
a. Site selection and acquisition/ lease	FA – Article 2 MUDA – Article 3	Items 8 and 11
b. Pre-opening purchases/leases	FA – Articles 6, 7 and 8	Items 6, 7, 8, and 11
c. Site development and other pre-opening requirements	FA – Article 2	Items 8 and 11
d. Initial and ongoing training	FA – Article 6	Items 6, 7, and 11
e. Opening	FA – Articles 2 and 6	Item 11
f. Fees	FA – Articles 3, 4, 6, 7, 8, 10, 11, 14 and 18 MUDA – Articles 2 and 3	Items 5, 6, 7, and 11
g. Compliance with standards and policies/ operating manual	FA – Articles 2, 3, 6, 8, 9, 10, 11 and 12	Items 6, 11, and 14
h. Trademarks and proprietary information	FA – Articles 9 and 10 and Attachment 4 MUDA – Article 7	Items 13 and 14
i. Restrictions on products/services offered	FA – Article 7 MUDA – Article 7	Items 8 and 16
j. Warranty and customer service requirements	FA – Article 7	Not applicable
k. Territorial development and sales quotas	MUDA – Article 3	Item 12
l. Ongoing product/service purchases	FA – Article 7	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	FA – Articles 2, 7 and 14	Items 6 and 11
n. Insurance	FA – Article 12	Items 6, 7, and 8
o. Advertising	FA – Article 8	Items 6, 8, and 11
p. Indemnification	FA – Article 15 MUDA – Article 14	Item 6
q. Owner’s participation/ management/staffing	FA – Articles 6, 14, 15 and 16 MUDA – Article 7	Items 1, 11, and 15
r. Records and reports	FA – Articles 4, 7 and 11	Item 6



Obligation	Article or Article in Agreement	Disclosure Document Item
s. Inspections and audits	FA – Articles 2, 7 and 11 MUDA – Article 12	Items 6, 8, and 11
t. Transfer	FA – Article 14 MUDA – Article 11	Items 6 and 17
u. Renewal	FA – Article 3 MUDA – Article 5	Items 6 and 17
v. Post-termination obligations	FA – Article 18 MUDA – Article 10	Items 6 and 17
w. Non-competition covenants	FA – Article 10 and Attachment 4 MUDA – Article 12	Item 17
x. Dispute resolution	FA – Article 19 MUDA – Article 19	Items 6 and 17
y. Liquidated damages	FA – Article 18	Item 6

ITEM 10
FINANCING

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

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

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

Pre-Opening Obligations

Multi-Unit Development Agreement

Under the Multi-Unit Development Agreement, we will grant to you rights to a Development Area within which you will establish and operate an agreed-upon number of Shops under separate Franchise Agreements. (Multi-Unit Development Agreement, Article 1.1.)

Franchise Agreement:

Under the Franchise Agreement, before the opening of your Shop we will provide the following assistance and services:

1. The site selection assistance we deem advisable. (Franchise Agreement, Article 5.1.) We will also describe your designated territory when we have accepted a proposed location.
2. On-site evaluation of the proposed site for your Shop, if we determine an on-site evaluation is necessary. (Franchise Agreement, Article 5.2.) If we conduct an on-site evaluation, we may charge you our then current per diem fee for each day of the evaluation, and we may charge you to reimburse our representative's expenses while conducting the evaluation, including travel, lodging and meals.
3. Standard specifications and layouts for building and furnishing the Shop, which you will use to have site plans and build-out plans prepared, at your expense. (Franchise Agreement, Article 5.3.) We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications. We have the right to require you to use the architect/designer we designate and to inspect your Shop during its construction.
4. On loan, our Manual, which we may revise during the term of your Franchise Agreement. (Franchise Agreement, Articles 5.4 and 10.1.) We may provide all or a portion of the Manual to you electronically, such as via a password-protected website.
5. A list of approved products and suppliers, which we may revise during the term of your Franchise Agreement and which may include us and/or our affiliates. (Franchise Agreement, Articles 5.8 and 7.4.)
6. An initial training program at our headquarters for up to three people (you, your General Manager and one additional person), the cost of which is included in the initial franchise fee. (Franchise Agreement, Articles 5.9 and 6.4.)
7. If you request it, or if we deem it is necessary, we will provide one of our representatives to provide up to seven days of pre-opening and opening assistance and training around the opening of your Shop. You must pay our then current per diem fee for each day our representative spends at your Shop, and you must reimburse the out-of-pocket expenses our representative incurs, including travel, lodging and meals. (Franchise Agreement, Article 6.5.) If you are opening your second or later Shop, we have the right to reduce the duration of our representative's visit or to not provide opening assistance.

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Continuing Obligations

Multi-Unit Development Agreement: Under the Multi-Unit Development Agreement:

1. We will review the information regarding potential sites that you provide to us to determine whether the sites meet our standards and criteria for a Playa Bowls Shop and, if the site meets our criteria, accept the site for a Shop. (Multi-Unit Development Agreement, Article 8.1.)
2. We will provide you with standard specifications and layouts for building and furnishing the Shop. (Multi-Unit Development Agreement, Article 8.2.)
3. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications. (Multi-Unit Development Agreement, Article 8.3.)
4. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Developers. (Multi-Unit Development Agreement, Article 8.4.)

Franchise Agreement: During the operation of your Shop we will provide the following assistance and services:

1. As we reasonably determine necessary, visits to and evaluations of the Shop and the products and services provided to make sure that our high standards of quality, appearance and service of the System are maintained. (Franchise Agreement, Articles 5.5 and 7.5.6.)
2. Advice and written materials (such as through email, newsletters, and updates to the Manual) concerning techniques of managing and operating the Shop, including new developments and improvements in equipment, food products, packaging and preparation. (Franchise Agreement, Article 5.6.)
3. Training programs and seminars and other related activities regarding the operation of the Shop as we may conduct for you or Shop personnel generally, which may be mandatory for you, your General Manager and other Shop personnel. (Franchise Agreement, Article 6.4.)
4. At your request or if we determine it is necessary, additional on-site training or assistance at your Shop. You must pay our per diem fee for each trainer providing the training and you must reimburse the trainer's expenses. (Franchise Agreement, Article 6.4.)
5. Administration of the National Marketing Fund. (Franchise Agreement, Article 8.3.)
6. Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts) if you and your Principals have fully complied with the terms of the Franchise Agreement. (Franchise Agreement, Article 9.4.)
7. Designate the maximum, minimum, promotional, and other prices you may charge for Approved Products and Services, as permitted by applicable law. (Franchise Agreement, Article 7.12.) Our designation of pricing is not a guarantee that you will achieve a specific level of sales or profitability.
8. At our option, hold a meeting of our franchisees to discuss new menu offerings or new standards of operation, to provide training, and other matters pertaining to the franchise. (Franchise Agreement, Article 6.5.)



Site Selection

You must assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for the Shop and for constructing and equipping the Shop at the accepted site. You will select the site for the Shop subject to our acceptance. We will provide guidance and advice regarding the selection of a site for your Shop. Before you lease or purchase the site for the Shop, we must provide our acceptance of the site. If we deem it necessary, we will conduct one on-site evaluation, but before we conduct the evaluation you must submit to us in the form we specify a description of the site together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site. We have the right to approve deviations from our site selection standards based on the individual factors and components of a particular site.

You must have located and submitted to us, for our review, all information we require regarding the site you propose for your Shop no later than 180 days after you have signed the Franchise Agreement. We will have 30 days after we receive all required information and materials from you to accept or decline the proposed site as the location for your Playa Bowls Shop. If we do not provide our specific acceptance of a proposed site, the site is deemed not accepted. We do not warrant or guarantee that your Shop will be successful at any site that we accept. Our acceptance only means that the site meets our minimum requirements for a Shop, subject to any deviation from our standards as we may permit. If we cannot agree on an approved location within a 180 day period, we may terminate your Franchise Agreement without refunding any fees to you if you do not cure this default within 30 days of notice from us.

We will provide you with the site selection counseling and assistance we think is advisable. Our criteria for site selection include: location of the site and its setting (on-campus setting, free-standing building, shopping center, shopping mall, downtown location, etc.); availability of parking; visibility from main roads; availability, size and placement of signage; co-tenants in the shopping center or immediate area; accessibility to the site; condition of the premises and how much build-out or construction it will need; proximity to competitive businesses; and availability of utilities. We will use these and other factors in determining the suitability of your proposed site for a Playa Bowls Shop. We generally do not own the premises and lease it to you. Once the location for your Shop has been determined, your Shop may not be relocated without our prior written consent. You must provide us with a copy of the signed lease for your Shop location.

If you are not able to locate a suitable site for your Shop within 180 days after you sign the Franchise Agreement, we may terminate your Franchise Agreement.

Opening

We estimate that the time from the Franchise Agreement is signed to the opening of the Shop will be approximately three to six months. Your total timeframe may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Shop, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Shop, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Shop, including purchasing inventory and supplies.

We do not provide assistance with conforming the Shop to local ordinances and building codes, obtaining the permits and licenses for the construction and operation of the Shop, completing construction or remodeling, and hiring and training your employees. We do not provide assistance with equipment, signs, fixtures, opening inventory or supplies except by providing a list of approved suppliers and through our written specifications. We do not deliver or install these items.



You must open the Shop and begin business within nine months after you sign the Franchise Agreement. If you are not able to open your Shop within this period, we have the right to terminate your Franchise Agreement or, in our discretion, we may extend the period of time for you to open. You may not open your Shop for business until we have approved you to do so.

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

Grand Opening Marketing

You must conduct a marketing campaign announcing the grand opening of your Shop, and you must spend at least \$10,000 for this campaign. Your grand opening marketing campaign must be conducted in the initial 90 days of operation. We may designate a different time period for you to conduct the grand opening marketing. Your grand opening marketing campaign must include giveaways of food samples and other promotions, as we require, and we must approve of your grand opening marketing campaign before it is conducted. We may require that you use our designated supplier for grand opening marketing and promotion.

National Marketing Fund

We have established a National Marketing Fund (“Fund”) to promote the System, Playa Bowls Shops and the products and services offered by Playa Bowls Shops. (Franchise Agreement, Article 8.3.) You must pay a non-refundable National Marketing Fund Fee to the Fund in an amount equal to up to 3% of Gross Sales. As of December 31, 2022, we have collected \$855,382 towards the National Marketing Fund. \$52,315 was rolled over into 2022. Of the \$827,483 spent, we have spent 64% towards advertising and promotion, 33% towards administrative reimbursements, 1% towards computer and internet, and 2% towards website and graphic design. \$81,214 was rolled over into 2023.

The Fund is used for national and regional advertising, marketing, publicity and promotional activity relating to the System. We determine, in our fully unrestricted discretion, the manner in which the Fund is spent. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing and related purposes. We are not required to segregate the National Marketing Fund from our general operating funds and we are not a fiduciary or trustee of the National Marketing Fund. The National Marketing Fund will not be used to directly promote your Shop or the marketing area in which your Shop will be located. As stated in Item 8, we may contribute Allowances we receive from approved suppliers to the Fund. If we choose to do this, it does not reduce or eliminate your requirement to pay the National Marketing Fund Fee.

We have the right to direct all advertising activities with sole discretion over creative concepts, materials and media used, as well as their placement and allocation. We also have the right to determine, in our sole discretion, the composition of all geographic and market areas for the implementation of these advertising and promotional activities. The Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional advertising materials, programs and public relations activities (including, without limitation, the cost of preparing and conducting television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities, for conducting marketing surveys, test marketing, employing advertising agencies to assist therewith, and providing promotional brochures, coupons and other marketing materials to all franchisees of the System). The Fund is intended to maximize general public recognition in all media of the Proprietary Marks and patronage of Playa Bowls Shops and we have no obligation to ensure that expenditures of the Fund in or affecting any geographic area are proportionate or equivalent to payments of the National Marketing Fund Fee by franchisees operating in that geographic area, or that any Shop will benefit directly or in proportion to the National



Marketing Fund Fees paid for the development of advertising and marketing materials or the placement of advertising. We will not use the National Marketing Fund to directly market the sale of Shop franchises, but may do so indirectly by requiring and including information as to the availability of Shop franchises for sale and contact information for franchise inquiries on and within advertising, marketing and national marketing materials, including the System website, developed with the National Marketing Funds.

We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs such as salaries for our employees who devote time and effort to Fund related activities and overhead expenses) of developing, producing and distributing any advertising materials and collecting the National Marketing Fund Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any National Marketing Fund Fee). We also have the right to use a portion of the Fund to subsidize the cost of presenting refresher training and/or a franchisee meeting.

Shops owned by us or our affiliates may contribute to the Fund but they are not obligated to do so. Funds from the National Marketing Fund Fees paid will be accounted for separately from our other funds. These funds will not be used to defray any of our general operating expenses, except as described in the paragraph above. Any sums paid to the Fund that are not spent in the year they are collected will carry over to the following year. We will prepare, and furnish to you upon written request, an annual statement of funds collected and costs incurred. The statement will be available after April 30 each year. We are not required to have any Fund statement audited, but if we choose to have the Fund audited it will be at the Fund's expense.

Although the Fund is intended to be perpetual, we may terminate the Fund at any time. The Fund will not be terminated until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Fund, we have the right to reinstate it at any time and you must again contribute to the Fund. Any reinstated Fund will be maintained as described above.

Local Marketing

You must conduct local marketing in your designated territory and you must spend at least 1% of Gross Sales each month on local marketing for your Shop. Within 30 days of our request, you must provide us with proof of your local marketing expenditures, including verification copies of the advertisements.

We must approve all marketing materials before you use them. You must not advertise or use our Marks in any fashion on the internet, world wide web or via other means of advertising through telecommunication, including social media, without our express written consent.

Any marketing that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12-month period must be submitted to us for our review not later than 15 days before you intend to use it. Unless we provide our specific disapproval of the proposed materials, the materials are deemed approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

We have the right to require you to include certain language in your local marketing, such as "Franchises Available" and our website address and phone number.

Cooperative Marketing

We possess the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your Shop you must contribute to the cooperative in such amounts and frequency as



determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations. However, we may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on one vote per Shop located and a quorum of not less than 25% of the designated franchisee cooperative members. If a cooperative exceeds nine franchisee members we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Shop, you will be required to participate in the cooperative in accordance with the provisions of our operations manual which we may supplement and modify from time to time.

Website / Intranet

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We have established one or more websites accessible through one or more uniform resource locators (“URLs”) and we may design and provide for the benefit of your Shop a “click through” subpage at our website for the promotion of your Shop. If we establish one or more websites or other modes of electronic commerce and if we provide a “click through” subpage at the website(s) for the promotion of your Shop, you must routinely provide us with updated copy, photographs and news stories about your Shop suitable for posting on your “click through” subpage. We have the right to specify the content, frequency and procedure you must follow for updating your “click through” subpage.

Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications (“apps”) that we may introduce, may – in addition to advertising and promoting the products, programs or services available at Playa Bowls Shops – also be devoted in part to offering Playa Bowls franchises for sale and be used by us to exploit the electronic commerce rights which we alone have.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Shop; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “Playa Bowls” name or any names confusingly similar to the Proprietary Marks.

You are not permitted to promote your Shop or use any of the Proprietary Marks in any manner on any digital media, social media, or networking websites, such as Facebook, Foursquare, Instagram, TikTok, LinkedIn or Twitter, without our prior written consent. We will control all digital media initiatives. You must comply with our System standards regarding the use of digital media in your Shop’s operation, including prohibitions on you and the Shop’s employees posting or blogging comments about the Shop or the System, other than on digital media established or authorized by us and subject to our standards and specifications. The term “digital media” includes traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to Playa Bowls Shops, your Shop, the Proprietary Marks, the System and/or us. We may, at our election and subject to our specifications and requirements, provide access to branded digital media pages/handles/assets. We have the right to conduct collective/national campaigns via local digital media on your behalf. At our election, we alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any digital media, including any and all material you may furnish to us.



Advisory Council

We may, in our discretion, form an advisory council to work with us to improve the System, the products offered by Playa Bowls Shops, advertising conducted by the Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council. We may develop by-laws for any advisory council.

If formed, an advisory council will be comprised of our representatives and franchisee representatives. Franchisee representatives may be selected by us or may be elected by other franchisees in the System. If you participate on an advisory council, you we may elect to reimburse you for authorized travel expenses related to your participation in the advisory council.

Training

No later than 30 days before the date the Shop begins operation, up to three trainees (including you, your General Manager and one additional person) must have completed, to our satisfaction, our mandatory initial training program. We will conduct this training at our corporate headquarters, at one of our affiliates' Shops, or at another location we designate. Our initial training program lasts for approximately two weeks. Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement general managers and other personnel needing training, the number of new Shops being opened and the timing of the scheduled openings of Shops.

The cost of providing instructors and training materials for up to three trainees is included in the initial franchise fee. You may also have additional personnel trained by us for the Shop, at your expense. We will determine whether your trainees have satisfactorily completed initial training. If you and/or the General Manager do not satisfactorily complete the initial training program or if we determine that these persons cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training before you will be permitted to open your Shop. If the replacement General Manager cannot complete the initial training program to our satisfaction, we have the right to terminate your Franchise Agreement. You will incur our then current per person training fee (currently \$1,000) for each additional trainee (after the first three) you send to our initial training program, and for any replacement General Manager. You must also pay all expenses that are incurred for you, your managers and other personnel during participation in the initial training program, including travel, lodging, meals and applicable wages.

Any manager subsequently designated by you must also receive and complete the initial training program to our satisfaction, even if this requires sending that manager to our headquarters training program, at your expense. You will incur our then current per person training fee (currently \$1,000) for each replacement or successor manager or employee you send to our initial training program if we have not approved you to provide the training. You must also pay for all expenses your replacement managers and other personnel incur for any training program, including costs of travel, lodging, meals and applicable wages. We may approve you to train replacement managers under our training program before permitting you to train your entire staff for a third or later Shop opening. You may not train any personnel until we have approved you as a trainer.

If you request it, or if we deem it is necessary, we will provide one of our representatives to provide up to seven days of pre-opening and opening assistance and training around the opening of your Shop. You must pay our then current per diem fee (currently \$400) for each day our representative spends at your Shop, and you must reimburse the out-of-pocket expenses our representative incurs, including travel, lodging and meals. If you are opening your second (or later) Shop, we have the right to reduce the duration of our representative's visit or to not provide opening assistance.



If, during the term of your Franchise Agreement, you request that we provide additional training or assistance on-site at your Shop or if we determine that additional training or assistance is necessary, you must pay our then current per diem fee (currently \$400) for each trainer we provide, and you must reimburse the trainer’s expenses, such as costs of travel, lodging, and meals.

The instructional materials used in the initial training include our Manual, marketing and promotion materials, materials related to the operation of the point-of-sale system, videos, scripts, PowerPoint presentations, and any other materials that we believe will be beneficial to our franchisees in the training process. The training schedule and activities of the initial training program are described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Basic Operations and Overall Philosophy	1	0	Belmar, New Jersey
Point of Sale Back Office	1	0	Belmar, New Jersey
Point of Sale Front Office	1	1	Belmar, New Jersey
Ordering Strategy	0.5	0	Belmar, New Jersey
Receiving an Order	0.5	0	Belmar, New Jersey
Nutrition Overview & Nutrition	1.5	0	Belmar, New Jersey
Catering	1	0	Belmar, New Jersey
Products Overview	2	0	Brick, New Jersey
Marketing	1	0	Belmar, New Jersey
Accounting	1	0	Belmar, New Jersey
History	0.5	0	Belmar, New Jersey
Store Racking and Set-up	1	1	Brick, New Jersey
Scheduling System Overview	0.75	0	Belmar, New Jersey
Initial Product Placement and Inventory	1	1	Belmar, New Jersey
Storage Room Set-up and Inventory Management	1	1	Brick, New Jersey
Store Opening Timeline/Construction Status	0.5	0	Belmar, New Jersey
Customer Service	1	1	Belmar, New Jersey
Work Culture	0.5	0	Belmar, New Jersey
Receiving and Stocking Inventory	1	1	Belmar, New Jersey
Opening and Closing Duties	2	1	Belmar, New Jersey
Personnel Management & HR	1.5	0	Belmar, New Jersey
Social Media Strategy	0.5	0	Belmar, New Jersey



Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
POS Back Office - Inventory Management	0.5	1	Belmar, New Jersey
Branding	1	0	Belmar, New Jersey
Creating Products	0	10	Brick, New Jersey
Subtotal Hours	23.25	18	
Total Hours	41.25		

Our training is coordinated by our Operations Team and instructors in the field. We may also rely on the expertise of certain of our employees or our affiliates' employees to provide training on specific areas. Each of our instructors has at least five years of experience relevant to the subjects they are teaching and at least five years of experience with us and/or our affiliates. The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained. We may choose to hold refresher training courses, and we may designate that attendance at refresher training is mandatory for you, your General Manager and/or other Shop personnel. You must pay our then current per person fee (currently \$400) for each trainee from your Shop, and you will pay for all of the expenses incurred by your trainees, including travel, lodging, meals and wages. We may also choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons. If we choose to hold a meeting, we may designate that attendance at an annual meeting is mandatory for you, your General Manager and/or other Shop personnel. You must pay our then current per person fee (currently \$400) for each attendee from your Shop, and you will pay for all of the expenses incurred by your attendees at the meeting including travel, lodging, meals and wages. We will designate the location of any franchisee meeting, such as a resort hotel, but we will not designate an unreasonably expensive site.

In addition to our initial training program, you, your managers and any other personnel we designate must be ServSafe certified or other similar certifications. The cost of these certifications is not included in the initial franchise fee and we do not provide certification. You may need to receive periodic additional training and/or certification.

Confidential Operations Manual

The Table of Contents for our Manual is attached to this Disclosure Document as Exhibit E. Our Manual contains approximately 140 pages.

Computer and Point of Sale Systems

You must purchase and use certain point of sale systems, computer hardware and software that meet our specifications and that are capable of electronically interfacing with our computer applications. The estimated cost of these applications and systems is between \$1,300 and \$2,600 for a one or two station configuration. We currently require you to use the Clover POS system and we recommend you use ADP for payroll and Dolce Software for scheduling and timekeeping. The estimated costs for ADP's payroll services are \$157.95 base rate, plus \$3.10 processing fee per employee over four less 49.99% discount for each bi-weekly pay period and a 30% discount off annual W-2 processing. There is a \$200 one-time set-up fee, but our franchisees who use ADP may receive a waiver of this fee plus two free Zip Recruiter posts. The estimated monthly cost for the Dolce Software employee scheduling and payroll timekeeping is \$3 per



active employee. The point of sale and computer systems will provide order processing, business reports, credit card processing, inventory control and other functions.

The computer system is designed to enable us to have independent access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. You must install and maintain equipment and a high-speed internet connection in accordance with our specifications to permit us to access the computer system (or other computer hardware and software) either electronically or at the Shop premises. This will permit us to electronically inspect and monitor information concerning your Shop's Gross Sales and any other information that may be contained or stored in the equipment and software. You must make sure that we have access at all times and in the manner, we specify, at your cost. We may download Gross Sales and other information from your computer system, and there are no contractual limitations on our access to your computer system or the information we retrieve from your computer system.

The approved supplier for the point-of-sale system, if we designate one, will be included in the Manual. We do not require that you purchase a maintenance contract for your point of sale or computer system, but you may find it advisable to do so. Because we do not require you to have a maintenance contract, we cannot estimate the cost of a maintenance contract. You must obtain any upgrades and/or updates to the software used with the point-of-sale system, at your expense. In addition, we may require you to update and/or upgrade all or a portion of your point of sale and/or computer system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your point of sale and/or computer system or the cost of any update and/or upgrade. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. Neither we nor any affiliate of ours is responsible for providing you with any upgrades, updates or maintenance for your point of sale or computer system.

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ITEM 12 **TERRITORY**

Your Location

Under the Franchise Agreement, we will grant to you the right to develop and operate one Playa Bowls Shop at a specific Shop location. If the location is not known at the time you sign a Franchise Agreement, then your Shop location must be selected and designated by you but is subject to our review and approval.

If we enter into and sign a Multi-Unit Development Agreement with you, we will grant to you the right to develop a mutually agreed upon number of Playa Bowls Shops within a specified Development Area and subject to a minimum performance schedule (the “Minimum Performance Schedule”). The first Shop that you develop under your Multi-Unit Development Agreement will be subject to and governed by the Franchise Agreement. Based on your Minimum Performance Schedule obligations, you must sign our then current Franchise Agreement for all other Shops authorized by your Multi-Unit Development Agreement.

Grant of Territory

Under the Franchise Agreement, once you identify a site that we approve for your Shop we will designate an area around your site as your designated territory (the “Designated Territory”). There is no minimum size for a designated territory, the scope and size of your Designated Territory will, generally, be a distance of two miles from the Shop location in all directions travelable by road, but may be smaller based on population density, demographics, and geographical boundaries. If your Shop is located within a non-traditional location or a captive market type facility, such as a shopping mall, stadium, amusement park, airport, university, or a similar facility with a captive market, your Designated Territory may be limited to the physical boundaries of the non-traditional location or captive facility. Depending on the demographics and geography we may designate your Designated Territory where your Shop is located at the center of the Designated Territory or where your Shop is located elsewhere within the Designated Territory. We may identify your Designated Territory by zip code, boundary streets, highways, county lines, designated market area, and/or other recognizable demarcations.

Under the Multi-Unit Development Agreement, we will grant to you a Development Area. The size of your Development Area will vary significantly from other franchisees, will be negotiated at the time of signing your Multi-Unit Development Agreement, will depend on your agreed upon Minimum Performance Schedule, and other factors, including our System development plans, and the nature of the market and demographics in which your Development Area is located.

Relocation

Your right to relocate your Shop is not guaranteed and approval of a request by you to relocate your Shop is completely at our discretion. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of other Shops, our expansion plans, the designated territory, demographics and other factors that, at the time of a relocation request, are relevant to us. If you sign a Multi-Unit Development Agreement, you will not be granted the right to relocate your Development Area. As condition for our approval of a relocation request, at our election, we may require that you sign our then current Shop Franchise Agreement and pay our then current initial franchise fee that is prorated to provide a credit based on the number of years remaining on the initial term of your original Franchise Agreement.

Establishment of Additional Shops

You do not have the right to establish additional Shops unless you sign a Multi-Unit Development Agreement. If we enter into and sign a Multi-Unit Development Agreement, based on your Minimum Performance Schedule, you will have the right to develop a mutually-agreed upon number of additional Shops within a specified Development Area. Your right to develop additional Shops under a Multi-Unit Development Agreement will be subject to your timely compliance with the agreed upon development



schedule, your compliance with the terms of your Multi-Unit Development Agreement, and your compliance with all other agreements with us and our affiliates, including all Franchise Agreements. If you do not meet the development schedule, we may terminate your Franchise Agreement without refunding any fees to you if you do not cure this default within 30 days of notice from us.

Our approval of future Shop locations and their respective designated territories will be based on our then current site and territory criteria. Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for Shops in the Development Area for you to meet your Minimum Performance Schedule.

Options and Rights of First Refusal to Acquire Additional Franchises

You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises.

Territory Rights

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not establish or open and we will not grant another franchisee the right to establish or open a Playa Bowls Shop at a Shop location within your Designated Territory.

We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and, without any compensation or consideration to you, to engage in the following activities (our “Reserved Rights”): (1) operate and grant to others the right to develop and operate Shops using the System and Proprietary Marks at locations outside your Designated Territory and, if applicable, Development Area, as we deem appropriate and irrespective of the proximity to your Designated Territory and, if applicable, Development Area; (2) operate, and grant to others the right to develop and operate, Shops using the System and Proprietary Marks at or within captive market locations (each a “Non-Traditional Site”) including, but not limited to, indoor malls, airports, transportation stations, factories, government facilities, military bases, hospitals, amusement parks, stadiums and sports facilities, recreational parks or facilities, schools, colleges and other academic facilities, seasonal and cafeteria facilities, shopping malls, convention centers, vehicle rest stops and travel centers, theaters, hotels, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, and similar venues, sites, and locations, both within and outside your Designated Territory and, if applicable, your Development Area; (3) granting national, regional or local licenses to third parties to sell products under the Proprietary Marks in foodservice facilities primarily identified by the third party’s trademark, both within and outside your Designated Territory and, if applicable, your Development Area; (4) merchandising and distributing products identified by the Proprietary Marks through any method or channel of distribution other than through the operation of a shop, including distribution of products, including proprietary products, through supermarkets, grocery stores, club stores and similar stores both within and outside your Designated Territory and, if applicable, your Development Area; (5) selling and distributing products identified by the Proprietary Marks to shops, other than Shops identified by the Proprietary Marks, regardless of whether the shops are licensed to use the Proprietary Marks in connection with their retail sales or not and regardless of whether or not the shops are located within or outside your Designated Territory or, if applicable, your Development Area; (6) selling products and services through other channels of distribution, including the internet, wholesale, mail order and catalog both within and outside your Designated Territory and, if applicable, your Development Area; (7) developing and/or owning shops and other franchise systems, within and outside your Designated Area and, if applicable, your Development Area, for the same or similar products and services, including shops that are the same as or similar to a Playa Bowls Shop using trade names and trademarks other than the Proprietary Marks; (8) acquiring, being acquired by, merging with, directly developing, or otherwise affiliating with one or more



businesses of any kind, including businesses that offer and sell products and services that are the same as, or similar to, a Playa Bowls Shop, and after such acquisition, merger, development, or affiliation to develop, own, and operate, franchise or license others to develop, own, and operate and, to continue to develop, own, and operate, such businesses of any kind, even if such businesses compete with and/or offer and sell products and services that are the same as or similar to a Playa Bowls Shop, provided that such business does not use the Licensed Marks, within your Designated Territory and, if applicable, within your Development Area; and (f) use the Proprietary Marks and System and to license others to use the Proprietary Marks and System to engage in all other activities not expressly prohibited by the Franchise Agreement and, if applicable, the Multi-Unit Development Agreement.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are no restrictions on us from soliciting or accepting orders from customers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under the Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

We and our affiliates may sell products under the Marks within and outside your Designated Territory through any method of distribution other than a Playa Bowls Shop, including sales through channels of distribution such as the internet, catalog sales, grocery stores, club stores, specialty food stores, telemarketing or other direct marketing sales (together, “alternative distribution channels”). You may not use alternative distribution channels to make sales outside or inside your Designated Territory and you will not receive any compensation for our sales through alternative distribution channels.

We or our affiliates will fulfill all orders placed through the retail portion of our Website and you will not be entitled to any portion of the profits received from this, even if the customer’s order is generated from or delivered to an address in your Designated Territory.

Soliciting by You Outside Your Territory

You are required to target and direct the marketing of your Shop to customers located within your territory. You may only offer and sell Approved Products and Services from your Shop location located within your Designated Territory and, only to (a) retail customers for consumption on the premises of your Shop location, (b) personal carryout from your Shop location, (c) delivery, if authorized by us, to customers located within your Designated Territory, and (d) catering, if authorized by us, to customers physically located within your Designated Territory.

You may not engage in any promotional activities or sell products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system, through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere, or by other communications. While you may, subject to our System standards and approval process, place advertisements in printed media, digital media, and on television and radio that are targeted to customers and prospective customers located within your Designated Territory, you will not be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the media viewed or received by prospective customers outside of your Designated Territory. You may not directly solicit customers outside of your Designated Territory.

Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Proprietary Marks that sells or will sell goods or services similar to those that will be offered by you through the Franchised Business but we have the right to do so in the future, without first obtaining your consent.



ITEM 13
TRADEMARKS

Under the terms of the Franchise Agreement, you will be granted a license to use certain trademarks, trade names, service marks, symbols, emblems, logos, and indicia of origin designated by us. Our affiliates, Playa Bowls, LLC and Playa Bowls IP LLC, own the Licensed Marks and have granted to us a license with an initial 20 year term and with automatic renewal thereafter to use the Licensed Marks and to license our franchisees to use the Licensed Marks. We reserve the right to supplement and modify the marks that you may or may not use in connection with the operations of your Shop. You may only use the Licensed Marks as authorized by us in writing and under the terms of your Franchise Agreement. You may not use the Licensed Marks in the name of any Corporate Entity that you establish.

Principal Trademarks Registered with the United States Patent and Trademark Office

The principal trademarks identified in the schedule below are a part of the Licensed Marks, our System, are registered with the United States Patent and Trademark Office (the “USPTO”) and, unless otherwise designated by us, will be used by you in the operations of the Franchised Business. As to these marks all required affidavits have been filed with the USPTO.

Mark	USPTO Registration Number	Registration Type	Registration Date
PLAYA BOWLS	5511222	1A	July 10, 2018
#GoBowlsDeep	5145844	1A	February 21, 2017
Welcome to Pineappleland	5579740	1A	October 9, 2018
New Jersey’s Original Acai Shop	5923152	1A	November 26, 2019
PLAYA CLUB	5976059	1A	February 4, 2020
Playa Coconut	6452475	1A	August 17, 2021
Playanola	6551133	1A	November 9, 2021

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above. Our affiliates, Playa Bowls, LLC and Playa Bowls IP LLC have licensed the Marks to us so that we may sub-license them to our franchisees in a perpetual, non-cancellable trademark license agreement dated July 25, 2017. Other than one of the parties ceasing to exist, there are no circumstances under which this trademark license agreement may be terminated or modified. If the trademark license agreement is terminated, you will still be able to use the Marks and the System until the end of the term of the Franchise Agreement. Other than this trademark license, we know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise. Both Playa Bowls, LLC and Playa Bowls IP LLC intend to file all affidavits and other documents required to maintain their interest in and to the Marks.

You are required to provide us with written notice of any claims that you may become aware of respecting the Licensed Marks including your use of the Licensed Marks and any claim associated with a third party’s use of a trademark that is identical or confusingly similar to the Licensed Marks. You and your Principals are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim. We maintain the exclusive discretion to take any and all actions or, to refrain from any action, that we believe to be appropriate in response to any trademark infringement, challenge or claim. As between us, we possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlements involving any actual or alleged infringement, challenge or claim relating to the Licensed Marks. You must sign all documents,



instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable for the protection or maintenance of our interests in the Licensed Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us. As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that the conduct of you and your Principals in the proceeding and use of the Marks is in full compliance with the terms of the Franchise Agreement.

Except as provided above, we are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy we intend to defend the Marks vigorously.

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System.

The license to use the Marks granted in the Franchise Agreement is non-exclusive to you. We have and retain certain rights in the Marks including the following:

1. To grant other licenses for the use of the Marks in addition to those licenses already granted or to be granted to franchisees;
2. To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you; and
3. To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics we may develop for that purpose.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

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

Confidential Operations Manual

You must operate the Shop in accordance with the standards and procedures specified in the Manual. One copy of the Manual will be loaned to you by us for the term of the Franchise Agreement. We may, instead of providing you with a hard copy of the Manual, make our Manual available electronically via a password protected intranet. You must treat the Manual and any other manuals we create or approve for use in your operation of the Shop, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Manual remains our sole property and must be kept in a secure place on the Shop premises. We may revise the contents of the Manual and you must comply with each new or changed standard. You must also ensure that the Manual is kept current at all times. If there is a dispute regarding



the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

We claim proprietary rights in certain of our recipes which are included in the Manual and which are our trade secrets. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Manual, plans and specifications, marketing information and strategies and site evaluation, selection assistance and techniques, recipes, and the terms of your agreement with us, are considered confidential. You and each of your Principals are prohibited, during and after the term of your Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of your Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Shop that may be communicated to you or any of your Principals or that you may learn about. You and each of your Principals may divulge this confidential information only to your employees who must have access to it to operate the Shop. Neither you nor your Principals are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person. You must have your General Manager and any of your personnel who have received or will have access to confidential information sign similar confidentiality covenants.

If you, your Principals, General Manager or employees develop any new concept, process or improvement in the operation or promotion of the Shop, you must promptly notify us and give us all necessary information, free of charge. You, your Principals, General Manager and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

ITEM 15 **OBLIGATION TO PARTICIPATE IN THE ACTUAL** **OPERATION OF THE FRANCHISE BUSINESS**

When you sign your Franchise Agreement, you must designate and retain at all times an individual to serve as the General Manager. We require you to hire an individual who is not one of your Principals to be the General Manager. We do not require that your General Manager have an ownership interest in you. The General Manager must satisfy our educational and business criteria as provided to you in the Manual or other written instructions, must be individually acceptable to us, and must be approved by us to act as a General Manager. At all times the Shop must be under the management of a General Manager who is responsible for the supervision and management of the Shop. The General Manager must devote full time and best efforts to this activity. The General Manager also must satisfy the applicable training requirements in the Franchise Agreement. If the General Manager cannot serve in the position or does not meet the requirements, he or she must be replaced within 30 days after the General Manager stops serving or no longer meets the requirements.

We expect that you will be actively involved in the daily operation of your Shop unless we permit you to not be actively involved. If you are not actively involved in the daily operation of your Shop, then we will communicate with and rely on the decisions made by your General Manager, but you must still make sure that your Shop is being operated according to the terms of your Franchise Agreement and the Manual. You must also retain other personnel as are needed to operate and manage the Shop.

Your General Manager and all other personnel who will have access to our proprietary and confidential information and training must sign our Confidentiality Non-Disclosure and Non-Competition Agreement which is attached to our Franchise Agreement as Attachment 4. We will be a third party beneficiary to each of these agreements with the independent right to enforce each agreement's terms. We have the right, in



our discretion, to decrease the period of time or geographic scope of the non-competition covenants contained in the attachments or eliminate the non-competition covenants altogether for any party that must sign an agreement as described in this paragraph. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spousal Guaranty which is attached to our Franchise Agreement as Attachment 7.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all menu items, food products, merchandise, and other products and services we require, in the manner and style we require, including dine-in and carry-out, as expressly authorized by us in writing. You must sell and offer for sale only the menu items, products and services that we have expressly approved in writing. You must not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any menu items, products or services that we may disapprove in writing at any time. We have the right to change the types of menu items, products and services offered by you at the Shop at any time, and there are no limits on our right to make those changes.

You must maintain in sufficient supply and use and sell only the food and beverage items, ingredients, proprietary products, merchandise, other products, materials, supplies, and paper goods that conform to our standards and specifications. You must prepare all menu items according to our recipes and procedures for preparation contained in the Manual or other written instructions, including the measurements of ingredients. You must not deviate from our standards and specifications by the use or offer of nonconforming items or differing amounts of any items, without first obtaining our written consent. We have the right to vary the menu items offered at certain Playa Bowls Shops based on regional or local tastes or ingredients. If we allow a Playa Bowls Shop to modify its menu to accommodate regional or local tastes or ingredients, we are not required to grant to you a similar variance or modification.

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

We have the right to determine the maximum prices for the goods, products and services offered from your Shop, as permitted by applicable law. You must comply with the prices required by us, but we make no guarantees or warranties that offering the products or merchandise at the required price will enhance your sales or profits. You are not permitted to offer customer discounts for cash payments, and you are not permitted to issue surcharges to customers for payments made by credit card, unless we provide our prior written permission.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12. You may not directly solicit customers outside of your Designated Territory.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The Franchise Relationship Under a Single Unit Franchise Agreement

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Franchise Agreement	Summary
a. Length of the franchise term	Article 3.1	10 years
b. Renewal or extension of the term	Article 3.2	One renewal term of 10 years
c. Requirements for franchisee to renew or extend	Article 3.2	You must provide us with notice that you wish to renew, be in compliance with the terms of your Franchise Agreement, be current in all payments required by the Franchise Agreement, remodel and/or refurbish your Shop if we require, sign renewal Franchise Agreement, sign general release, pay renewal fee. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
d. Termination by franchisee	Not applicable	You may terminate the Franchise Agreement on any grounds available by law
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Article 17.1.1	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination
g. "Cause" defined – curable defaults	Articles 17.1.3 and 17.2	We may terminate you for cause if you fail to cure certain defaults, including: if you or any of your affiliates fail to pay any monies owed to us, or our affiliates or vendors, and do not cure within five days after notice (or longer period required); fail to obtain signed copies of the confidentiality and non-competition covenants contained in the Franchise Agreement within five days after a request; fail to obtain and maintain required insurance within seven days after notice; suspension of required license or permit; use the Marks in an unauthorized manner and fail to cure within 24 hours after notice; fail to



Provision	Article in Franchise Agreement	Summary
		maintain quality standards; fail to operate the Shop during the hours and days specified by us; fail to cure any other default that is susceptible of cure within 30 days after notice
h. “Cause” defined – non-curable defaults	Articles 17.1.2 and 17.1.3	We may terminate you for cause if you fail to cure certain defaults, including: if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, have outstanding judgments against you for over 30 days, sell unauthorized products or services, fail to find an accepted location within time required, fail to remodel when required, fail to open Shop when required, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, abandon or lose right to the Shop premises, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent, required license permit is revoked, repeated defaults, or maintain false books or records. In addition, a default under one agreement with us may result in a termination of all of your other agreements with us. This is known as a cross-default provision.
i. Franchisee’s obligations on termination/non-renewal	Article 18	Obligations include: You must stop operating the Shop and using the Marks and System and completely de-identify the business, pay all amounts due to us or our affiliates, return the Manual and all other proprietary materials, comply with confidentiality requirements, pay liquidated damages (if applicable), and at our option, sell or assign to us your rights in the Shop premises and the equipment and fixtures used in the business us; maintain employment practices liability insurance for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located; appoint us as your true and lawful attorney-in-fact and agent for your obligations under the terms
j. Assignment of contract by franchisor	Article 14.1	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction. However, no assignment will be granted except to an assignee who, in our



Provision	Article in Franchise Agreement	Summary
		good faith judgment, is willing and able to assume our obligations
k. “Transfer” by franchisee – defined	Article 14.2.1	Includes sale, assignment, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Shop or you (if you are not a natural person)
l. Franchisor approval of transfer by franchisee	Article 14.2.2	You must obtain our consent before transferring any interest. We will not unreasonably withhold our consent
m. Conditions for franchisor approval of transfer	Article 14.2.2	Conditions include: You must pay all amounts due us or our affiliates, not otherwise be in default, sign a general release, and pay a transfer fee. Transferee must meet our criteria, complete training to our satisfaction and sign current Franchise Agreement
n. Franchisor’s right of first refusal to acquire franchisee’s business	Article 14.4	Within 30 days after notice, we have the option to purchase the transferred interest on the same terms and conditions
o. Franchisor’s option to purchase franchisee’s business	Article 18.12	Upon termination or expiration of the Franchise Agreement, we have the right to purchase certain assets of the Shop
p. Death or disability of franchisee	Article 14.5	Upon your death or permanent disability (if you are a natural person) or upon the death or permanent disability of any Principal, distributee must be approved by us, or franchise must be transferred to someone approved by us within 12 months after death or within six months after notice of permanent disability
q. Non-competition covenants during the term of the franchise	Article 10.3.1	You are prohibited from operating or having an interest in a similar business without our prior written consent
r. Non-competition covenants after the franchise is terminated or expires	Article 10.3.2	You and your Principals are prohibited for two years from expiration or termination of the franchise from operating or having an interest in a similar business within 25 miles of any Shop in the System
s. Modification of the agreement	Articles 10.1.5 and 19.2	The Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with Manual as amended
t. Integration/merger clause	Article 19.2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable federal and/or state law). Any representations or promises outside of the



Provision	Article in Franchise Agreement	Summary
		disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 19.7	Arbitration within the county where we maintain our headquarters (currently Monmouth County, New Jersey), subject to applicable state and federal law
v. Choice of forum	Article 19.8	The county and state where we maintain our headquarters (currently Monmouth County, New Jersey), subject to applicable state and federal law
w. Choice of law	Article 19.8	The state where we maintain our headquarters (currently New Jersey), subject to applicable state and federal law

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The Franchise Relationship Under a Multi-Unit Development Agreement

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	6	Length of the Minimum Performance Schedule
b. Renewal or extension of the term	5	After all Shops have been developed, we will negotiate in good faith another Multi-Unit Development Agreement
c. Requirements for multi-unit developer to renew or extend	Not applicable	Not applicable
d. Termination by multi-unit developer	Not applicable	The Agreement does not provide for this, but you may seek to terminate on any grounds available to you at law.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	9	We can terminate if you commit any one of several listed violations
g. “Cause” defined – curable defaults	9	If you use the Marks or System without our consent; participating in a competing business; failure to pay money to us when due; you begin developing a Shop before all of your pre-development obligations are met; failure to obtain our consent when required; you open any Shop before a Franchise Agreement for that Shop has been signed
h. “Cause” defined – non-curable defaults	9	Failure to meet your Minimum Performance Schedule; failure to comply with applicable laws; if all of your Shops stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your Principals of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision)
i. Multi-unit developer’s obligations on termination/ non-renewal	10	You must stop selecting sites for Shops, and you may not open any more Shops
j. Assignment of contract by franchisor	11	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is



Provision	Article in Multi-Unit Development Agreement	Summary
		willing and able to assume our obligations under the Multi-Unit Development Agreement
k. “Transfer” by multi-unit developer – defined	11	Includes transfer of any interest in the Multi-Unit Development Agreement
l. Franchisor approval of transfer by multi-unit developer	11	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for franchisor approval of transfer	11	Conditions for transfer include not being in default, at least 25% of all Shops required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Multi-Unit Developers, execution of a general release, payment of transfer fee, buyer personally guarantees all obligations
n. Franchisor’s right of first refusal to acquire multi-unit developer’s business	11	We have the right to match the offer
o. Franchisor’s option to purchase multi-unit developer’s business	Not applicable	Not applicable
p. Death or disability of multi-unit developer	11	Upon your death or permanent disability (if you are a natural person) or upon the death or permanent disability of any Principal, distributee must be approved by us, or development rights must be transferred to someone approved by us within 12 months after death or within six months after notice of permanent disability
q. Non-competition covenants during the term of the franchise	12	You are prohibited from operating or having an interest in a similar business without our prior written consent, except for Shops operated under Franchise Agreements with us
r. Non-competition covenants after the franchise is terminated or expires	12	No competing business for two years and within 25 miles of any Shop in the System
s. Modification of the agreement	18	Multi-Unit Development Agreement may not be modified unless mutually agreed to in writing
t. Integration/merger clause	18	Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Multi-Unit Development Agreement may not be enforceable.



Provision	Article in Multi-Unit Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	19	Arbitration within the county where we maintain our headquarters (currently Monmouth County, New Jersey), subject to applicable state and federal law
v. Choice of forum	19	The county and state where we maintain our headquarters (currently Monmouth County, New Jersey), subject to applicable state and federal law
w. Choice of law	19	The state where we maintain our headquarters (currently New Jersey), subject to applicable state and federal law

ITEM 18
PUBLIC FIGURES

We currently do not use any public figure to promote our franchise, but we have the right to do so in the future.

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ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (c) Company Owned Outlet – means a Playa Bowls Shop owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, or that is managed by us our affiliate or any person identified in Item 2.
- (d) Franchise Outlet – refers to a Playa Bowls Shop operated under a Franchise Agreement that is not a Company Owned Outlet.
- (e) Gross Sales – means the total revenue derived by each Playa Bowls Shop less sales tax, discounts, allowances and returns.
- (f) Median – means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them, together, and dividing by two.
- (g) New Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2021, as to the 2021 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet (see definition below). If this Company Owned Outlet remained in operation throughout the 2022 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2022 Calendar Year.
- (h) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2021, as to the 2021 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet (see definition below). If this Franchise Outlet remained in operation throughout the 2022 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2022 Calendar Year.



(i) Operational Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the first day of the Calendar Year and for the entire Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2021, as to the 2021 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet (see definition above) and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2022 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2022 Calendar Year. Company Owned Outlets that operate as a food truck are not included as Operational Company Owned Outlets.

(j) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation on or prior to the first day of the Calendar Year and for the entire Calendar Year. For example, if a Franchise Outlet first opened for business in February 2021, as to the 2021 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet (see definition above) and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2022 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2022 Calendar Year. Franchise Outlets that operate as a food truck are not included as Operational Franchise Outlets.

(k) Order – Refers to each distinct sales transaction resulting in the reporting of Gross Sales.

(l) Outlet – refers to a Playa Bowls Shop that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

(m) Quartile – refers to the relative performance of the Operational Outlets as compared to one another with the “1st Quartile” referring to the top 25% performing Operational Outlets and the 4th Quartile referring to the bottom 25% performing Operational Outlets.

(n) Seasonal Outlet – means an Outlet that operates from a shop location or designated market that is seasonal in nature and based on the location or market operates on a seasonal basis and is not open for ordinary and regular business hours throughout the entire Calendar Year.

(o) Traditional Outlet – means an Outlet that is not a Seasonal Outlet.

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ANALYSIS OF RESULTS OF COMPANY OWNED OUTLETS

During the 2022 Calendar year we had a total of 26 Company Owned Outlets that qualify as Operational Company Owned Outlets. Of these Company Owned Outlets, 23 qualify as Traditional Outlets and three qualify as Seasonal Outlets. We do not include data in these tables for New Company Owned Outlets.

Table 1

Gross Sales By Quartiles¹					
Operational Company Owned Outlets – Traditional Outlets					
2022 Calendar Year					
Quartile	Average	Number & Percentage of Outlets Above Average	Median	Low	High
1 st Quartile	\$1,698,150	2 / 5 (40%)	\$1,681,116	\$1,372,517	\$2,264,644
2 nd Quartile	\$1,250,904	3 / 6 (50%)	\$1,251,268	\$1,211,915	\$1,322,992
3 rd Quartile	\$1,091,228	3 / 6 (50%)	\$1,094,806	\$996,723	\$1,159,007
4 th Quartile	\$749,679	2 / 6 (33%)	\$732,769	\$593,554	\$908,240
Total ²	\$1,175,722	11 / 23 (48%)	\$1,159,007	\$593,554	\$2,264,644

¹ **Data Overview:** For 2022, the data compiled in this Table 1 is based on a total of 23 Operational Company Owned Outlets that qualify as Traditional Outlets. We do not include in this table the performance of New Company Owned Outlets that opened and commenced operations during 2022.

² **Total:** As to average and median, represents cumulative average and median, respectively, of Outlets within data set.

Table 2

Gross Sales¹	
Operational Company Owned Outlets – Seasonal Outlets	
2022 Calendar Year	
	Gross Sales
Seasonal Outlet 1	\$803,225
Seasonal Outlet 2	\$385,870
Seasonal Outlet 3	\$349,455
Average	\$512,850

¹ **Data Overview:** For 2022, the data compiled in this Table 2 is based on a total of three Operational Company Owned Outlets that qualify as Seasonal Outlets. We do not include in this table the performance of New Company Owned Outlets that opened and commenced operations during 2022. Since there were only three Seasonal Outlets, data is provided on a per Outlet basis.

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ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

During the 2022 Calendar Year we had a total of 98 Franchise Outlets that qualify as Operational Franchise Outlets. Of these 98 Operational Franchise Outlets, 86 qualify as Traditional Outlets and 12 qualify as Seasonal Outlets. We do not include data in these tables for New Franchise Outlets.

Table 3

Gross Sales By Quartiles					
Operational Franchise Outlets – Traditional Outlets					
2022 Calendar Year					
Quartile	Average	Number & Percentage of Outlets Above Average	Median	Low	High
1 st Quartile	\$1,751,654	6 / 21 (29%)	\$1,662,389	\$1,435,540	\$2,455,089
2 nd Quartile	\$1,259,089	11 / 22 (50%)	\$1,265,614	\$1,128,686	\$1,409,704
3 rd Quartile	\$1,047,461	12 / 22 (55%)	\$1,051,823	\$979,580	\$1,123,267
4 th Quartile	\$722,097	11 / 21 (52%)	\$763,044	\$355,919	\$938,240
Total ²	\$1,194,103	37 / 86 (43%)	\$1,125,976	\$355,919	\$2,455,089

¹ Data Overview: For 2022, the data compiled in this Table 3 is based on a total of 86 Operational Franchise Outlets that qualify as Traditional Outlets. We do not include in this table the performance of New Franchise Outlets that opened and commenced operations during 2022.

² Total: As to average and median, represents cumulative average and median, respectively, of Outlets within data set.

Table 4

Gross Sales By Quartiles					
Operational Franchise Outlets – Seasonal Outlets					
2022 Calendar Year					
Quartile	Average	Number & Percentage of Outlets Above Average	Median	Low	High
1 st Quartile	\$709,659	1 / 3 (33%)	\$678,713	\$642,247	\$808,017
2 nd Quartile	\$506,972	1 / 3 (33%)	\$498,318	\$496,405	\$526,193
3 rd Quartile	\$446,341	1 / 3 (33%)	\$443,707	\$440,762	\$454,554
4 th Quartile	\$402,591	2 / 3 (67%)	\$407,213	\$386,366	\$414,194
Total ²	\$516,391	4 / 12 (33%)	\$475,479	\$386,366	\$808,017

¹ Data Overview: For 2022, the data compiled in this Table 4 is based on a total of 12 Operational Franchise Outlets that qualify as Seasonal Outlets. We do not include in this table the performance of New Franchise Outlets that opened and commenced operations during 2022.

² Total: As to average and median, represents cumulative average and median, respectively, of Outlets within data set.

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DISCLAIMER

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

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by Gary Moss, Chief Development Officer, Playa Bowls Franchisor, LLC at 803 Ocean Avenue, Belmar, New Jersey 07719 and (732) 257-8604, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2020, 2021, 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	56	71	+15
	2021	71	102	+31
	2022	102	136	+34
Company Owned	2020	20	25	+5
	2021	25	26	+1
	2022	26	27	+1
Total Outlets	2020	76	96	+20
	2021	96	128	+32
	2022	128	163	+35

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020, 2021, 2022

State	Year	Number of Transfers
Florida	2020	0
	2021	1
	2022	0
New Jersey	2020	0
	2021	1
	2022	0
Total	2020	0
	2021	2
	2022	0

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**Table No. 3
Status of Franchised Outlets
For years 2020, 2021, 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AZ	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
CO	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	2	0	0	0	0	4
CT	2020	2	1	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
DE	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
FL	2020	3	0	0	0	3	0	0
	2021	0	3	0	0	0	0	3
	2022	3	4	0	0	0	0	7
GA	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	0	4
KY	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
LA	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2



State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
MD	2020	2	1	0	0	0	0	3
	2021	3	5	0	0	0	0	8
	2022	8	1	0	0	0	0	9
MA	2020	2	1	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	2	0	0	0	0	6
MI	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
NH	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	2	0	0	0	0	3
NJ	2020	27	9	0	0	2	0	34
	2021	34	7	0	0	0	0	41
	2022	41	3	0	0	1	0	43
NY	2020	5	2	0	0	0	0	7
	2021	7	5	0	0	0	0	12
	2022	12	10	0	0	0	0	22
OH	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
PA	2020	7	4	0	0	0	0	11
	2021	11	3	0	0	0	0	14
	2022	14	1	0	0	0	1	14
SC	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
TX	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
VA	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Total	2020	56	20	0	0	5	0	71
	2021	71	31	0	0	0	0	102



State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2022	102	36	0	0	1	1	136

Table No. 4
Status of Company-Owned Outlets
For years 2020, 2021, 2022

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	2020	0	0	3	0	0	3
	2021	3	0	0	0	0	3
	2022	3	1	0	0	0	4
New Jersey	2020	18	0	2	0	0	20
	2021	20	1	0	0	0	21
	2022	21	0	1	0	0	22
New York	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
North Carolina	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Puerto Rico	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
Total	2020	20	0	5	0	0	25
	2021	25	1	0	0	0	26
	2022	26	1	1	1	0	27

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**Table No. 5
Projected Openings as of December 31, 2022**

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	3	1	0
Arizona	2	1	0
Colorado	1	1	0
Connecticut	1	2	0
Delaware	1	1	0
Florida	14	8	2
Georgia	0	3	0
Illinois	1	0	0
Kentucky	2	2	0
Louisiana	2	2	0
Maryland	6	4	0
Massachusetts	5	6	0
Michigan	3	2	0
New Hampshire	4	3	0
New Jersey	6	5	0
New York	20	9	0
North Carolina	4	3	0
Ohio	4	2	0
Pennsylvania	3	2	0
South Carolina	1	0	0
Texas	1	1	0
Virginia	3	0	0
Washington, D.C.	1	2	0
Total	88	60	2

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

A list of the names of all franchisees and multi-unit developers and the addresses and telephone numbers of their franchises will be provided in Exhibit D to this disclosure document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit developer who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit D to this disclosure document when applicable.

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

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



ITEM 21
FINANCIAL STATEMENTS

Our parent company PB Group Holdings, LLC was established on June 22, 2021. Attached to this Disclosure Document as Exhibit A is PB Group Holdings, LLC’s audited financial statements for the year ended December 31, 2022, and for the periods from July 28, 2021, to December 31, 2021, and of the Parent Company’s predecessor for the period from January 1, 2021 to July 27, 2021. Our fiscal year and the fiscal year of PB Group Holdings, LLC ends on December 31.

PB Group Holdings, LLC guarantees to assume the duties and obligations of Playa Bowls Franchisor, LLC under the Franchise Agreement and Multi-Unit Development Agreement. A copy of the Guarantee of Performance is attached to this Disclosure Document in Exhibit A, following the financial statements.

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- | | | |
|----|----------------------------------|-----------|
| 1. | Franchise Agreement | Exhibit B |
| 2. | Multi-Unit Development Agreement | Exhibit C |
| 3. | Form of General Release | Exhibit H |

ITEM 23
RECEIPTS

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

[THE DISCLOSURE DOCUMENT ENDS HERE]





**Exhibit A to the
Playa Bowls Franchise Disclosure Document**

FINANCIAL STATEMENTS





Tel: 206-382-7777
Fax: 206-382-7700
www.bdo.com

Two Union Square, 601 Union Street
Suite 2300
Seattle, WA 98101

PB Group Holdings, LLC
Belmar, New Jersey

BDO USA LLP consents to the use in the Franchise Disclosure Document issued by PB Group Holdings, LLC (the Company) on April 28, 2023, as it may be amended, of our report dated April 28, 2023, relating our audit of the financial statements of the Company for the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 and of the Company's Predecessor for the period from January 1, 2021 to July 27, 2021.

BDO USA, LLP

April 28, 2023
Seattle, Washington

PB Group Holdings, LLC

**Consolidated Financial Statements of the
Successor and Combined Financial
Statements of the Predecessor
Year Ended December 31, 2022 (Successor), and for
the Periods from July 28, 2021 to December 31,
2021 (Successor) and January 1, 2021 to
July 27, 2021 (Predecessor)**

PB Group Holdings, LLC

Consolidated Financial Statements of the Successor and Combined Financial Statements of the Predecessor

**Year Ended December 31, 2022 (Successor), and for the Periods from July 28, 2021 to
December 31, 2021 (Successor) and January 1, 2021 to July 27, 2021 (Predecessor)**

PB Group Holdings, LLC

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Independent Auditor's Report

To the Members
PB Group Holdings, LLC
Belmar, New Jersey

Opinion

We have audited the consolidated financial statements of PB Group Holdings, LLC (Successor), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, changes in members' equity, and cash flows for the year ended December 31, 2022, and for the period from July 28, 2021 to December 31, 2021, and the related notes to the consolidated financial statements. We have also audited the combined financial statements of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC (collectively, the Predecessor), which comprise the related combined statements of operations, changes in members' equity, and cash flows for the period from January 1, 2021 to July 27, 2021, and the related notes to the combined financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Successor as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year ended December 31, 2022, and for the period from July 28, 2021 to December 31, 2021, in accordance with accounting principles generally accepted in the United States of America. Additionally, the accompanying combined financial statements present fairly, in all material respects, the results of operations and cash flows of the Predecessor for the period from January 1, 2021 to July 27, 2021, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Successor and Predecessor 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.

Emphasis of a Matter - Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Successor changed its method of accounting for leases during the year ended December 31, 2022, due to the adoption of Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Successor and the combined financial statements of the Predecessor 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 consolidated financial statements of the Successor and the combined financial statements of the Predecessor that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Successor and the combined financial statements of the Predecessor 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 GAAS 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 consolidated financial statements of the Successor and the combined financial statements of the Predecessor.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements of the Successor and the combined financial statements of the Predecessor, 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 consolidated financial statements of the Successor and the combined financial statements of the Predecessor.
- 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 the Successor's and Predecessor'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 consolidated financial statements of the Successor and the combined financial statements of the Predecessor.



- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Successor's and Predecessor'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.

BDO USA, LLP

April 28, 2023
Seattle, Washington

**Consolidated Financial Statements of the Successor and
Combined Financial Statements of the Predecessor**

PB Group Holdings, LLC
Consolidated Balance Sheets

<i>December 31,</i>	<i>Successor</i>	
	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,237,273	\$ 5,248,006
Accounts receivable	883,389	648,741
Employee retention credits receivable	3,404,315	6,989
Franchise fee receivables	725,749	343,000
Inventories	260,653	213,177
Prepaid expenses and other current assets	630,766	569,922
Total Current Assets	13,142,145	7,029,835
Property and equipment, net	4,418,853	4,253,960
Other Assets		
Goodwill, net	12,598,831	13,841,792
Intangible assets, net	42,098,488	46,402,996
Right-of-use assets	7,863,921	-
Total Other Assets	62,561,240	60,244,788
Total Assets	\$ 80,122,238	\$ 71,528,583
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	\$ 491,725	\$ 280,310
Other liabilities	1,519,762	274,745
Gift card liability	829,889	650,025
Accrued expenses	674,141	927,211
Current portion of long-term debt	850,000	416,667
Deferred rent	-	43,382
Deferred revenue, current portion	2,570,000	1,339,395
Operating lease liabilities, current portion	1,335,087	-
Total Current Liabilities	8,270,604	3,931,735
Long-Term Liabilities		
Long-term debt, net of current portion	22,083,801	18,915,747
Operating lease liabilities, net of current portion	6,794,497	-
Deferred revenue, net of current portion	449,545	232,871
Total Long-Term Liabilities	29,327,843	19,148,618
Total Liabilities	37,598,447	23,080,353
Members' Equity		
Equity attributable to PB Group Holdings, LLC	41,585,140	46,261,907
Equity attributable to noncontrolling interest	938,651	2,186,323
Total Members' Equity	42,523,791	48,448,230
Total Liabilities and Members' Equity	\$ 80,122,238	\$ 71,528,583

See accompanying notes to consolidated financial statements.

PB Group Holdings, LLC

Consolidated and Combined Statements of Operations

	<i>Successor</i>		<i>Predecessor</i>
	<i>Year Ended</i> <i>December 31,</i> <i>2022</i>	<i>Period from</i> <i>July 28, 2021 to</i> <i>December 31, 2021</i>	<i>Period from</i> <i>January 1, 2021 to</i> <i>July 27, 2021</i>
Revenues			
Restaurant sales	\$ 29,579,736	\$ 8,774,594	\$ 14,699,026
Franchise royalties and initial franchise fees	7,383,933	2,551,088	3,180,681
Other revenue	-	612,794	502,410
Brand development fees	855,382	239,719	282,108
Total Revenue	37,819,051	12,178,195	18,664,225
Operating Expenses			
Cost of goods sold	12,092,345	3,868,861	6,003,811
Labor and benefits	9,760,932	2,996,106	4,035,824
Delivery and selling expenses	1,634,001	468,546	766,548
Rent related expenses	1,880,270	709,405	955,914
Repairs and maintenance	931,460	355,163	466,373
Advertising	911,118	469,558	439,912
Professional fees	2,866,864	864,332	481,973
General and administrative expenses	3,718,227	992,249	1,355,278
Depreciation and amortization expense	6,637,828	2,838,028	492,419
Transaction-related expenses	-	1,815,592	3,098,459
Total Operating Expenses	40,433,045	15,377,840	18,096,511
Income (Loss) From Operations	(2,613,994)	(3,199,645)	567,714
Other Income (Expenses)			
Other income	797,808	794,221	258,631
Employee retention credits	3,587,896	141,935	-
Interest expense	(1,549,901)	(641,152)	(9,533)
Total Other Income, net	2,835,803	295,004	249,098
Net Income (Loss)	221,809	(2,904,641)	816,812
Net Income Attributable to Noncontrolling Interest	1,094,388	157,231	571,417
Net Income (Loss) Attributable to PB Group Holdings, LLC	\$ (872,579)	\$ (3,061,872)	\$ 245,395

See accompanying notes to consolidated and combined financial statements.

PB Group Holdings, LLC

Consolidated and Combined Statements of Changes in Members' Equity

	Equity Attributable to PB Group Holdings, LLC	Equity Attributable to Noncontrolling Interest	Total
<i>Predecessor</i>			
Balance, January 1, 2021	\$ 1,855,154	\$ 1,366,352	\$ 3,221,506
Contributions	-	33,204	33,204
Distributions	(2,637,062)	(985,615)	(3,622,677)
Net income	245,395	571,417	816,812
Balance, July 27, 2021	\$ (536,513)	\$ 985,358	\$ 448,845
<i>Successor</i>			
Balance, July 28, 2021	\$ -	\$ -	\$ -
Equity issued in acquisition and noncontrolling interest	26,200,000	2,291,000	28,491,000
Contributions	23,238,260	-	23,238,260
Distributions	(114,481)	(261,908)	(376,389)
Net income (loss)	(3,061,872)	157,231	(2,904,641)
Balance, December 31, 2021	46,261,907	2,186,323	48,448,230
Distributions	(2,920,441)	(1,931,764)	(4,852,205)
Purchase of noncontrolling equity interest	(883,747)	(410,296)	(1,294,043)
Net income (loss)	(872,579)	1,094,388	221,809
Balance, December 31, 2022	\$ 41,585,140	\$ 938,651	\$ 42,523,791

See accompanying notes to consolidated and combined financial statements.

PB Group Holdings, LLC

Consolidated and Combined Statements of Cash Flows

	<i>Successor</i>		<i>Predecessor</i>
	<i>Year Ended December 31, 2022</i>	<i>Period from July 28, 2021 to December 31, 2021</i>	<i>Period from January 1, 2021 to July 27, 2021</i>
Cash Flows Provided by (Used in) Operating Activities			
Net income (loss)	\$ 221,809	\$ (2,904,641)	\$ 816,812
Adjustments to reconcile net income (loss) to net cash flows provided by (used in) operating activities:			
Paycheck Protection Program loan forgiveness	-	-	(238,381)
Depreciation and amortization	6,637,828	2,838,028	492,419
Deferred rent	-	43,382	3,288
Noncash operating lease cost	78,281	-	-
Amortization of debt issuance costs	122,220	103,836	-
Changes in operating assets and liabilities			
Accounts receivable	(234,648)	(648,741)	(830,977)
Employee retention credits receivable	(3,397,326)	(6,989)	-
Franchise fee receivables	(382,749)	(343,000)	62,000
Inventories	(47,476)	80,823	(116,658)
Prepaid expenses and other current assets	(60,844)	(418,922)	(31,170)
Accounts payable and accrued expenses	(41,655)	(2,355,479)	1,965,844
Other liabilities	1,245,017	274,745	1,272,075
Gift card liability	179,864	650,025	(411,763)
Deferred revenue	1,447,279	1,572,266	272,321
Net Cash Flows Provided by (Used in) Operating Activities	5,767,600	(1,114,667)	3,255,810
Cash Flows Used in Investing Activities			
Purchases of property and equipment	(789,852)	(335,330)	(348,307)
Business combination account holdback release	(201,400)	-	-
Business combination, net of cash acquired	-	(35,392,446)	-
Purchase of intangible asset	(120,000)	-	-
Net Cash Flows Used in Investing Activities	(1,111,252)	(35,727,776)	(348,307)
Cash Flows Provided by (Used in) Financing Activities			
Contributions from PB Group Holdings, LLC	-	23,238,260	-
Contributions from noncontrolling members	-	-	33,204
Borrowings of debt	4,000,000	20,000,000	1,377,499
Repayment of debt	(520,833)	-	(171,946)
Deferred financing costs	-	(771,422)	-
Purchase of noncontrolling equity interest	(1,294,043)	-	-
Distributions to PB Group Holdings, LLC	(2,920,441)	(114,481)	(2,637,062)
Distributions to noncontrolling members	(1,931,764)	(261,908)	(985,615)
Net Cash Flows Provided by (Used in) Financing Activities	(2,667,081)	42,090,449	(2,383,920)
Net Increase in Cash and Cash Equivalents	1,989,267	5,248,006	523,583
Cash and Cash Equivalents, beginning of period	5,248,006	-	3,383,220
Cash and Cash Equivalents, end of period	\$ 7,237,273	\$ 5,248,006	\$ 3,906,803
Supplemental Information			
Cash paid for interest	\$ 1,427,681	\$ 537,316	\$ 9,533
Cash paid for income taxes	\$ 31,214	\$ 72,832	\$ 152,540

See accompanying notes to the consolidated and combined financial statements.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

PB Group Holdings, LLC (PB LLC or the Successor) was formed as a limited liability company in Belmar, New Jersey. The Successor, together with its subsidiaries, operate as a group of entities, which specialize in offering acai bowls and other healthy food options via quick service style restaurants. Restaurant locations consist of 1) Successor-owned stores, which are each wholly owned limited liability companies, 2) franchisee-owned stores, and 3) stores operated as a joint venture. The operations of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC (together, the Predecessor) were substantially similar to that of the Successor. When referred to collectively, the Successor and Predecessor are referred to as the Company.

A schedule of Company-owned locations in operation, is as follows:

<i>December 31,</i>	2022	2021
Locations in Operation, beginning of year	26	25
Locations opened	1	1
Locations closed	(1)	-
Franchisee-owned locations acquired by PB LLC	1	-
Locations in Operation, end of year	27	26

A schedule of franchisee-owned locations in operation is as follows:

Locations in Operation, beginning of year	102	71
Locations opened	36	31
Locations closed	(1)	-
Franchisee-owned locations sold to PB LLC	(1)	-
Locations in Operation, end of year	136	102

Joint ventures are discussed separately within Note 1.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Principles of Consolidation, Combination, and Noncontrolling Interest

Predecessor

The Predecessor financial statements include the combined accounts of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC, as together the entities were under common control and were therefore treated as a single reporting unit. The ownership interests of combined entities not wholly owned by the Predecessor are presented as noncontrolling interests in the accompanying combined financial statements. Noncontrolling interests represent the share of combined entities owned by third parties. Noncontrolling interest is adjusted for the noncontrolling members' share of additional contributions, distributions, and the proportionate share of the net income or loss of each respective entity. All significant intercompany transactions and balances have been eliminated in combination.

Successor

The consolidated financial statements include the accounts of the Successor, its wholly owned subsidiaries (Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC), and consolidated joint ventures. The ownership interests of consolidated entities not wholly owned by the Successor are presented as noncontrolling interests in the accompanying consolidated financial statements. Noncontrolling interests represent the share of consolidated entities owned by third parties. Noncontrolling interest is adjusted for the noncontrolling members' share of additional contributions, distributions, and the proportionate share of the net income or loss of each respective entity. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated and combined financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

Predecessor

The period from January 1, 2021, to July 27, 2021, reflects the historical cost basis of accounting of the Predecessor that existed prior to the acquisition (see Note 2).

Successor

The year ended December 31, 2022, and the period from July 28, 2021, to December 31, 2021, are referred to as the "Successor periods". The Successor periods reflect the costs and activities as well as the recognition of assets and liabilities of the Predecessor at their fair values pursuant to the consummation of the acquisition (see Note 2). Due to the application of acquisition accounting by the Successor and the conforming of significant accounting policies, the results of operations, cash flows, and other financial information for the Successor periods are not comparable to the Predecessor period.

Reporting Period

The Successor's fiscal year is the calendar year ending December 31. The beginning of the reporting period is January 1.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Use of Estimates

The preparation of the consolidated and combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits and highly liquid investments with original maturities of 90 or fewer days. Financial instruments that potentially subject the Successor to significant concentrations of credit risk consist primarily of cash and cash equivalents. The Successor places its temporary cash investments with financial institutions. At times throughout the year the Successor may, in the ordinary course of business, maintain cash balances in excess of federally insured limits. As of December 31, 2022 and 2021, total cash and cash equivalents include \$151,617 and \$238,426, respectively, of amounts due from commercial credit card companies, such as Visa, MasterCard, and American Express, which are generally received within a few days of the related transaction.

Accounts Receivable

Accounts receivable primarily relate to royalty fee receivables from franchisees, as well as receivables from third party delivery services. The Successor uses the allowance method of valuing doubtful accounts receivable, which is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable receivable accounts considered at risk or uncollectible. No allowance for doubtful accounts receivable was determined as of December 31, 2022 or 2021.

Employee Retention Credits Receivable

During 2022 and 2021, under the Consolidated Appropriations Act and the American Rescue Plan, the Successor submitted various claims for Employee Retention Credits. The Employee Retention Credit is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages, up to \$10,000, (including qualified health plan expenses) an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. Effective January 1, 2021, the credit increased from 50% to 70% up to \$10,000 of the qualified wages (including qualified health plan expenses) per quarter through September 30, 2021. Employers are eligible for the credit if they experienced either a full or partial suspension of operations during any calendar quarter because of governmental orders due to the pandemic, or a significant decline in gross receipts based on comparing quarterly revenue for 2020 and/or 2021 with the comparable quarter in 2019. Based on the Successor's assessments performed throughout 2021 and 2022, it was eligible for \$3,729,831 in refundable tax credits. The Successor accounted for the refundable tax credits in accordance with ASC 958-605 as a component of other income. Income was recognized when the Successor substantially met the program's eligibility conditions, which were not met until the Successor determined that it met the conditions for the credit opportunity and thus submitted the applications for its refund. The credits are subject to review by the IRS; however, the Successor does not believe that the IRS' review is a barrier to recognition, and believes all conditions have been met to allow for income recognition. As of December 31, 2022 and 2021, the Successor has included \$3,404,315 and \$6,989, respectively, as a receivable on the consolidated balance sheets. During the year ended December 31, 2022, and for the period from July 28, 2021, to December 31, 2021, the Successor

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

recognized income of \$3,587,896 and \$141,935, respectively, was included in the accompanying consolidated statements of operations. The Predecessor did not recognize any employee retention credit income.

Franchisee Fee Receivables

The Successor's franchisee fee receivables represent amounts due from franchisees related to initial franchise fees and brand development fees. The Successor maintains an allowance for doubtful accounts for estimated losses that may arise if any of its franchisees are unable to make required payments under franchise and other agreements. In assessing the collectability of receivables, management specifically analyzes past payment trends, the age of franchisee balances, historical bad debt experience, franchisee creditworthiness, changes in payment terms and other nonfinancial information. If the financial condition of any of its franchisees were to deteriorate, whether due to franchisee specific or general economic issues, the Successor may be required to increase its allowance for doubtful accounts. Franchisee receivables are written off when all collection attempts have failed. As of December 31, 2022 and 2021, the Successor considered the receivables to be fully collectible; therefore, no allowance for doubtful accounts was recorded.

Inventories

Inventories consist primarily of restaurant food items, beverages, supplies, and certain retail items and are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Leases (Effective January 1, 2022)

Effective January 1, 2022, the Successor accounts for leases in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, Leases (ASC 842). The Successor determines if an arrangement is a lease at inception and then assesses for classification as either an operating or finance lease. Assets and obligations related to operating leases are included in right-of-use (ROU) assets and operating lease liabilities in the consolidated balance sheet.

ROU assets represent the Successor's right to use an underlying asset for the lease term and lease liabilities represent the Successor's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. The Successor has elected the practical expedient to use a risk-free rate as the discount rate in calculating the present value of the lease payments when the implicit rate in the lease is not determinable. Certain lease terms may include options to extend or terminate the lease, and these are included in the determination of the operating lease ROU asset and operating lease liability when it is reasonably certain that the Successor will exercise those options. Lease expense for operating leases is recognized in an amount equal to the lease payments over the lease term.

For leases with an initial term of twelve months or less, the Successor elected the exemption from recording ROU assets and lease liabilities for all leases that qualify, and records rent expense on a straight-line basis over the lease term.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Variable lease payments, which may vary based upon changes in facts or circumstances after the start of the lease (such as percentage rent or common area maintenance) are excluded from lease ROU assets and lease liabilities to the extent not considered fixed, and instead expensed as incurred.

Leases (Through December 31, 2021)

Prior to January 1, 2022, for operating leases, rent expense was recognized on a straight-line basis over the term of the lease.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized; expenditures for maintenance and repairs are charged to expense as incurred.

Estimated useful lives are generally assigned as follows:

	Years
Equipment, furniture, and fixtures	8
Vehicles	8
Buildings and leasehold improvements	Shorter of asset useful life or estimated terms of the lease

Goodwill

Goodwill represents the excess of cost over fair value of net assets of the units acquired.

The Successor accounts for goodwill in accordance with the accounting alternative provided by FASB Topic 350. Goodwill is amortized over a straight-line basis of 10 years, and is assessed for impairment if an event or circumstances indicate that the fair value of the Successor may be less than its carrying amount. A goodwill impairment loss is recognized to the extent the carrying amount of the Successor including goodwill exceeds its fair value.

An entity that elects the accounting alternative is further required to make an accounting policy election to test goodwill for impairment at either the entity level or the reporting unit level. The impairment assessment is a trigger-based assessment, whereby the Successor is only required to test goodwill for impairment if an event occurs or circumstances change that indicate the fair value of the entity may be below its carrying amount. The Successor has made the election to test for impairment at the entity level.

The Successor did not identify any triggering events as of December 31, 2022 and 2021, and accordingly, no impairment loss was recorded for goodwill.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Intangible Assets

Intangible assets are amortized over their estimated useful lives. The Successor evaluates the remaining estimated useful lives of intangible assets that are being amortized each reporting period to determine whether events and circumstances warrant a revision to remaining period of amortization. If the estimate of an intangible asset's remaining useful life is changed, the remaining carrying amount of the intangible asset is amortized prospectively over the revised remaining life.

Impairment of Long-Lived Assets

The Company assesses the recoverability of the recorded value of its long-lived assets, such as property and equipment, ROU assets, and intangible assets, whenever events or changes in business circumstances indicate the carrying amount of the asset may not be fully recoverable. The assessment of recoverability is based on management's estimate of undiscounted future operating cash flows of its long-lived assets. If the assessment indicates that the undiscounted operating cash flows do not exceed the net book value of the long-lived assets, then the difference between the net book value of the long-lived asset and the fair value of such asset is recorded as a charge against income in the consolidated and combined statements of operations.

The Company recorded no impairment charges on long-lived assets during 2022 or 2021.

Equity-Based Compensation

The Company has a leadership incentive plan (the Plan) for the purpose of granting profits interests in the Company to a select group of officers, employees, managers, consultants, or other key persons. The Plan allows for both time-based units, which vest ratably over five years, as well as performance-based units, which vest only upon a liquidation event. Equity-based compensation expense is measured at the grant date based on the fair value of the award. The measurement of fair value of the equity-based compensation units require judgment in the assumptions underlying the methods used to determine the fair value and can include Company performance volatility and risk-free interest rates. Vested time-based awards are retained at termination, however, there are options for the Company to repurchase the units upon employee termination. If the business relationship is terminated for cause, the Company retains the right to enforce forfeiture of the units. The Company accounts for forfeitures as they occur. As of December 31, 2022 and 2021, the Plan had granted 10 and 20 time-based and performance-based units, respectively. No compensation expense is being recorded for the performance-based units inasmuch as vesting is dependent upon future performance and an exit event for the Company, which is not currently deemed to be probable. In addition, no equity-based compensation expense is being recorded for the time-based units as it was deemed immaterial by the Company.

Exit or Disposal Cost Obligations

The Successor accounts for exit or disposal activities, including restaurant closures, in accordance with FASB ASC 420-10, *Exit or Disposal Cost Obligations*. Such costs include the cost of disposing of the assets and liabilities as well as other facility-related expenses from previously closed restaurants. These costs are generally expensed as incurred. Additionally, at the date the Successor ceases using property under an operating lease, the Successor records a gain or loss based on the difference between the remaining ROU asset and the operating lease liability. Termination penalties are included in the gain or loss on termination.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Gift Cards

Revenue from gift cards sold by the Company is recognized upon redemption. Until the redemption occurs, the outstanding balances on the gift cards are record as unredeemed gift card liabilities.

Revenue Recognition and Deferred Revenue

Restaurant Sales

The Successor and Predecessor recognize revenue from food and beverage sales when payment is tendered at the point of sale. Revenues are reported net on the accompanying consolidated and combined statements of operations with customer complimentary meals and gift card promotion discounts recorded as a component of sales discounts.

Royalty Fees

The sales-based royalty fee is considered variable consideration related primarily to the use of the license and trademarks and will be recognized as revenue in the same period as sales are earned by the franchisees. Sales-based royalty fees qualify under the royalty constraint exception, and do not require an estimate of future transaction price. The Company is utilizing the practical expedient which allows the Company to not disclose the transaction price allocated to the unsatisfied performance obligations for sales-based royalties.

Brand Development Fee Revenue

The sales-based brand development fees, which are based upon a percentage of adjusted gross revenue collected by the franchisees, are recognized as income when such revenues are earned by those franchisees. Sales-based brand development fees qualify under the royalty constraint exception, and do not require an estimate of future transaction price. The Company is utilizing the practical expedient which allows the Company to not disclose the transaction price allocated to the unsatisfied performance obligations for sales-based brand development fees. The Company presents advertising contributions received from franchisees as brand development fee revenue in the same period in which the franchisee's sales occur.

Under the franchise agreements and other agreements, the contributions received must be spent on advertising, marketing, creative efforts, media support, or other related purposes specified in the agreements and generally result in no profit or loss recognized. The Company has control of the brand development fund. The expenditures are primarily accounts paid to third parties, but may also include personnel expenses and allocated costs, as defined by the franchise agreements.

Initial Franchise Fees

Playa Bowls Franchisor, LLC (Playa Bowls) generates revenues from franchising through franchise agreements. Subsequent to the acquisition (see Note 2), Playa Bowls became a wholly owned subsidiary of the Successor. In consideration for the payment of an initial franchise fee, continuing royalties, and other amounts specified in the franchise agreement, the Company grants new franchisees the use of the Playa Bowls' trademarks, system, training, and restaurant operation assistance.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

The Company satisfies the performance obligation related to the franchise agreement agreements over the term of the related agreement, which is typically 10 years. Payment for the franchise agreement consists of three components: a fixed fee related to the franchise agreement, a sales-based royalty fee, and sales-based brand development fees. Payment for multi-unit agreements consists of a fixed fee. The fixed fees, as determined by the signed multi-unit and/or franchise agreement, is nonrefundable and due at the time the agreements are entered into, and/or when the franchise agreement is signed.

The Company uses the private company practical expedient to recognize pre-opening services as a single performance obligation. These pre-opening services include:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related architectural and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

Consideration for these services is provided by the franchise fee, however, the standalone selling price of these services is reduced from the franchise fee and recognized at a point in time when the services have been fully rendered to the franchisee, which approximates the store opening. Remaining consideration is recognized on a straight-line basis over the life of the remaining franchise fee, which is typically ten years.

Deferred Revenue

The Company's contract liabilities consist of initial franchise fees (as described above) upon execution of their multi-unit and/or franchise agreements which is referred to as deferred revenue. The amounts received are recorded as deferred revenue until the Company satisfies requirements under the agreement or upon cancellation of the agreement by the Company due to a default as outlined in the agreement, or by permanent store closure. Pre-opening expenses are recognized at a point in time when the services have fully rendered to the franchisee, which approximates the store opening. Remaining revenue is recognized on a straight-line basis over the term of the agreement as the underlying performance obligation is satisfied. Incremental direct costs, such as commissions, are deferred and recognized over the life of the related term of the agreement.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Summary of significant changes to the deferred revenue balance during 2022 and 2021 are as follows:

Balance, January 1, 2021	\$	786,525
Receipt of new multi-unit and franchise agreement fees		764,890
Revenue recognition from multi-unit and initial franchise fees		(492,529)
<hr/>		
Balance, July 27, 2021		1,058,886
Receipt of new multi-unit and franchise agreement fees		903,054
Revenue recognition from multi-unit and initial franchise fees		(389,674)
<hr/>		
Balance, December 31, 2021		1,572,266
Receipt of new multi-unit and franchise agreement fees		2,236,000
Revenue recognition from multi-unit and initial franchise fees		(788,721)
<hr/>		
Balance, December 31, 2022		3,019,545

Future amortization of deferred revenue of multi-unit and franchise agreement fees is as follows:

2023	\$	2,570,000
2024		39,490
2025		39,490
2026		39,490
2027		39,490
Thereafter		291,585
<hr/>		
Total	\$	3,019,545

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Advertising Expenses

Advertising expenses are expensed when incurred. Advertising expenses are comprised of costs incurred by the Company to benefit franchise operations. The Company may also incur additional advertising expenses should the Company spend more than is available within the production fund that will not be collected from franchised stores in the future.

Advertising expenses for the year ended December 31, 2022, and for the periods from July 28, 2021, to December 31, 2021 (successor) and January 1, 2021, to July 27, 2021 (predecessor) were \$911,118, \$469,558, and \$439,912, respectively, and are included in the accompanying consolidated and combined statements of operations.

Taxes Collected from Customers

The Company collects sales taxes from its customers that are remitted to various state governmental authorities when due. The Company's policy is to record taxes collected from customers as a component of accrued expenses and other current liabilities in its accompanying consolidated balance sheets. Revenue is reported net of sales taxes collected from customers in the consolidated and combined statements of operations.

Income Taxes

The Company, with the consent of its members, has elected to be formed as a limited liability company. The Successor is considered a disregarded entity for federal and state tax purposes. In lieu of paying taxes at the entity level, its members are taxed on the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

The Company accounts for uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement.

Joint Ventures

The Company determined that the joint ventures meet the definition of a variable interest entity (VIE) and accounts for its ownership interest in locations organized through joint venture and other agreements under the consolidation basis of accounting because the Company exercises significant control over these entities. The factors the Company evaluates when making the decision on whether an entity should be consolidated or unconsolidated include, but are not limited to, level of controlling or voting equity ownership, voting and kick out rights, activities that most significantly impact the entity's economic performance, the party that controls and manages such activities, the amount and characteristics of the Company's investment, the obligation or likelihood for the Company or other investors to provide financial support for the entity, and the similarity with and significance to the Company's business activities. In addition to evaluating all the factors above, the Company also takes into consideration the accounting guidance under Accounting Standard Codification 810, *Consolidation*. These factors are subject to significant judgments, performance of locations held by these entities, and general market conditions. The Company evaluated these factors in concluding that the joint venture owned locations should be accounted for as consolidated

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

entities. Financial information relating to noncontrolling interest in these entities is disclosed in the consolidated and combined statements of operations and consolidated and combined statements of changes in members' equity. During 2022, the Successor acquired 100% of the remaining interest in Playa Bowls Florida LLC, which was previously a 50%-owned joint venture. There were no changes to noncontrolling interest ownership percentages during 2021. As of December 31, 2022 and 2021, the Successor has included assets of \$4,112,509 and \$2,593,999, respectively, and liabilities of \$2,342,622 and \$280,997, respectively, in the consolidated balance sheets. With regard to the VIEs, there is no third-party debt, and any capital calls in excess of \$20,000 require the consent of all members. No such capital calls were made in 2022 or 2021.

Adoption of Accounting Standards Codification Topic 842, Leases

In February 2016, the FASB issued ASU 2016-02, *Leases* (Accounting Standards Codification (ASC) Topic 842) and subsequent amendments (collectively, ASC 842). ASC 842 requires lessees to generally recognize on the balance sheet, operating and finance lease liabilities and corresponding Right-of-use (ROU) assets for leases. Lessor accounting (and related sublessor accounting) is largely unchanged under ASC 842. Entities are required to use a modified retrospective approach on adoption, with the option of applying the requirements of the standard either (1) retrospectively to each prior comparative reporting period presented or (2) retrospectively at the beginning of the period of adoption, through a cumulative-effect adjustment to the opening balance of member's equity in the period of adoption. The Successor adopted the standard on January 1, 2022, using the modified retrospective approach at the beginning of the period of adoption. Consequently, periods before January 1, 2022, will continue to be reported in accordance with the prior accounting guidance in ASC 840. The Successor elected the package of practical expedients permitted under the transition guidance within ASC 842, which among other things, allows the Successor to carry forward the historical lease classification for leases that commenced before January 1, 2022, as well as to not separate lease and nonlease components.

The disclosure requirements of ASC 842 are included within Note 10. Adoption of ASC 842 resulted in changes in assets and liabilities in the Successor's balance sheet as follows:

	Balance as of December 31, 2021	Transition Adjustment	Balance as of January 1, 2022
Assets			
Right-of-use assets	\$ -	\$ 9,307,456	\$ 9,307,456
Liabilities			
Operating lease liabilities, current portion	-	1,345,261	1,345,261
Operating lease liabilities, net of current portion	-	8,005,577	8,005,577
Deferred rent	43,382	(43,382)	-

Reclassifications

Certain amounts in the 2021 consolidated and combined financial statements have been reclassified to conform to the current-year presentation.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

2. Business Combination

Effective at the close of business on July 27, 2021, the Predecessor entered into a Unit Purchase Agreement, pursuant to which PB LLC acquired all of the outstanding units of Playa Bowls LLC, Playa Bowls Franchisor LLC, and Rabby LLC, less joint venture units owned by third parties (noncontrolling interest), in exchange for cash and ownership interests in PB LLC valued at \$26,200,000. This transaction was accounted for in accordance with ASC 805, *Business Combinations* (ASC 805). The primary purpose of the transaction was to provide growth capital and to support the continued buildout of the business, and to serve as advisors to current management.

Transaction expenses were \$1,815,592, and \$3,098,459 for the periods from July 28, 2021, to December 31, 2021 (successor) and January 1, 2021, to July 27, 2021 (predecessor), respectively. Transaction expenses include consulting, valuation, legal, and contingent fees associated with the acquisition. Included in the equity amounts noted above, there were approximately \$800,000 in payments related to management transaction bonuses to certain members of the executive team which resulted in an expense in the predecessor period. All expenses have been accounted for in accordance with ASC 805 and are reflected in the predecessor or successor period, with the exception of the expenses with debt issuance totaling \$771,422, which were capitalized (see Note 6).

The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date (rounded to the nearest \$000):

Consideration	
Net cash paid	\$ 37,550,000
Repayment of debt	1,750,000
Equity of PB LLC issued to sellers	26,200,000
Fair value of noncontrolling interests	2,291,000
<hr/>	
Total Consideration/Purchase Price	67,791,000
<hr/>	
Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed	
Assets Acquired	
Cash	3,907,000
Inventory	294,000
Prepaid expenses and other	151,000
Improvements and equipment	4,200,000
Intangible assets	48,358,000
Liabilities Assumed	
Accounts payable	(1,160,000)
Accrued expenses and other	(2,259,000)
Unfavorable leases	(144,000)
<hr/>	
Total Identifiable Nets Assets Assumed	53,347,000
Goodwill	14,444,000
<hr/>	
	\$ 67,791,000

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Intangible assets acquired are primarily related to trade name, franchise agreements, non-compete agreements, and leases that are favorable or unfavorable relative to current market terms. The Successor assessed the fair values of each intangible asset class using an income approach model.

The purchase price allocation resulted in the recognition of \$14,444,000 in goodwill. The Successor calculated goodwill as the fair value of the consideration given at the acquisition date less the fair value of the net identifiable assets acquired. No impairment to goodwill existed at the acquisition date. The goodwill recorded in this transaction is not deductible for tax purposes.

3. Revisions to 2021 Predecessor and Successor Financial Statements

The 2021 Predecessor and Successor financial statements have been revised to reflect corrections related to the following immaterial errors:

1. Errors within the successor period consolidated statement of cash flows
2. Consolidated statements of changes in members' equity:
 - a. Omission of noncontrolling interest from both predecessor and successor periods
 - b. Inaccurate recording/classification of initial capitalization of members' equity in the successor period
3. Errors in the calculation of amortization expense
4. Omission of the fair value of the noncontrolling interest in the calculation of the purchase price in the business combination
5. Investment in consolidated entities not properly eliminated
6. Inaccurate allocation of noncontrolling interest on the consolidated and combined statements of operations

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PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

The effects of the revisions to the relevant consolidated financial statements line items are as follows:

Consolidated Balance Sheet

<i>December 31, 2021</i>	As Previously Reported	Change	As Revised
Total Current Assets	\$ 7,029,834	\$ 1	\$ 7,029,835
Property and equipment, net	4,253,959	1	4,253,960
Other Assets			
Investments	312,963	(312,963)	-
Goodwill, net	12,152,609	1,689,183	13,841,792
Intangible assets, net	46,040,637	362,359	46,402,996
Total Other Assets	58,506,209	1,738,579	60,244,788
Total Assets	\$ 69,790,003	\$ 1,738,580	\$ 71,528,583
Liabilities and Members' Equity			
Current Liabilities	\$ 3,931,734	\$ 1	\$ 3,931,735
Long-Term Liabilities			
Long-term debt	18,915,747	-	18,915,747
Unfavorable leases	144,000	(144,000)	-
Deferred revenue, net of current portion	232,871	-	232,871
Total Long-Term Liabilities	19,292,618	(144,000)	19,148,618
Total Liabilities	23,224,352	(143,999)	23,080,353
Members' Equity			
Equity attributable to PB Group Holdings, LLC	-	46,261,907	46,261,907
Equity attributable to noncontrolling interest	-	2,186,323	2,186,323
Total Members' Equity	46,565,650	1,882,580	48,448,230
Total Liabilities and Members' Equity	\$ 69,790,003	\$ 1,738,580	\$ 71,528,583

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Consolidated Statement of Operations

<i>Period from July 28, 2021 to December 31, 2021</i>	As Previously Reported	Change	As Revised
Total Revenue	\$ 12,178,194	\$ 1	\$ 12,178,195
Operating Expenses			
Depreciation and amortization expense	2,150,563	687,465	2,838,028
General and administrative expenses	1,077,896	(85,647)	992,249
Other operating expenses	11,547,563	-	11,547,563
Total Operating Expenses	14,776,022	601,818	15,377,840
Loss From Operations	(2,597,828)	(601,817)	(3,199,645)
Other Income	295,004	-	295,004
Net Loss	(2,302,824)	(601,817)	(2,904,641)
Income Attributable to Noncontrolling Interest	212,341	(55,110)	157,231
Loss Attributable to PB Group Holdings, LLC	\$ (2,515,165)	\$ (546,707)	\$ (3,061,872)

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Consolidated Statement of Changes in Members' Equity

	As Previously Reported	Change	As Revised
Balance, January 1, 2021	\$ 1,043,958	\$ 2,177,548	\$ 3,221,506
Contributions	33,204	-	33,204
Distributions	(1,021,716)	(2,600,961)	(3,622,677)
Net income	816,810	2	816,812
Balance, July 27, 2021	\$ 1,024,797	\$ (575,952)	\$ 448,845
Balance, July 28, 2021	\$ -	\$ -	\$ -
Equity issued in acquisition and noncontrolling interest	-	28,491,000	28,491,000
Contributions	49,244,863	(26,006,603)	23,238,260
Distributions	(376,389)	-	(376,389)
Net loss	(2,302,824)	(601,817)	(2,904,641)
Balance, December 31, 2021	\$ 46,565,650	\$ 1,882,580	\$ 48,448,230

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Consolidated Statement of Cash Flows

<i>Period from July 28, 2021 to December 31, 2021</i>	As Previously Reported	Change	As Revised
Cash Flows Provided by (Used in) Operating Activities			
Net loss	\$ (2,302,824)	\$ (601,817)	\$ (2,904,641)
Adjustments to reconcile net loss to net cash flows provided by (used in) operating activities:			
Paycheck Protection Program loan forgiveness	(789,906)	789,906	-
Depreciation and amortization	2,197,622	640,406	2,838,028
Deferred rent	43,382	-	43,382
Amortization of debt issuance costs	-	103,836	103,836
Changes in operating assets and liabilities			
Accounts receivables	240,434	(889,175)	(648,741)
Employee retention claims receivable	-	(6,989)	(6,989)
Franchise fee receivables	-	(343,000)	(343,000)
Inventories	79,823	1,000	80,823
Prepaid expenses and other current assets	(252,717)	(166,205)	(418,922)
Accounts payable and accrued expenses	1,576,991	(3,932,470)	(2,355,479)
Other liabilities	(1,466,538)	1,741,283	274,745
Gift card liability	-	650,025	650,025
Deferred revenue	1,572,266	-	1,572,266
Net Cash Flows Provided by (Used in) Operating Activities	898,534	(2,013,200)	(1,114,667)
Cash Flows Provided by (Used in) Investing Activities			
Business combination, net of cash acquired	1,695,642	(37,088,088)	(35,392,446)
Purchases of property and equipment	-	(335,330)	(335,330)
Net Cash Flows Provided by (Used in) Investing Activities	1,695,642	(37,423,418)	(35,727,776)
Cash Flows Provided by Financing Activities			
Contributions from PB Group Holdings, LLC	3,744,863	19,493,397	23,238,260
Borrowings of debt	-	20,000,000	20,000,000
Debt issuance costs	(714,645)	(56,777)	(771,422)
Distributions to PB Group Holdings, LLC	(114,481)	-	(114,481)
Distributions to noncontrolling members	(261,908)	-	(261,908)
Net Cash Flows Provided by Financing Activities	2,653,829	39,436,620	42,090,449
Net Change in Cash and Cash Equivalents	5,248,006	-	5,248,006
Cash and Cash Equivalents, beginning of year	-	-	-
Cash and Cash Equivalents, end of year	\$ 5,248,006	\$ -	\$ 5,248,006
Supplemental Information			
Cash paid for interest	\$ -	\$ 537,316	\$ 537,316
Cash paid for income taxes	\$ -	\$ 72,832	\$ 72,832

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

4. Property and Equipment

Property and equipment consist of the following:

<i>December 31,</i>	2022	2021
Buildings and leasehold improvements	\$ 2,656,322	\$ 2,180,851
Vehicles	233,512	206,622
Equipment, furniture, and fixtures	2,435,348	2,147,857
Total Property and Equipment	5,325,182	4,535,330
Less: Accumulated depreciation	(906,329)	(281,370)
Property and Equipment, net	\$ 4,418,853	\$ 4,253,960

Depreciation expense was \$624,959, \$281,370, and \$492,419 for the year ended December 31, 2022, and for the periods from July 28, 2021, to December 31, 2021 (successor) and January 1, 2021, to July 27, 2021 (predecessor), respectively, and is included in operating expenses on the accompanying consolidated and combined statements of operations.

5. Intangible Assets and Goodwill

Intangible assets consist of the following:

<i>December 31,</i>	Estimated Amortization Lives (Years)	2022	2021
Trade name	15	\$ 37,171,837	\$ 37,171,837
Franchise agreements	7	7,800,000	7,800,000
Non-compete covenant	5	140,000	140,000
Loyalty program	4	3,390,000	3,390,000
Unfavorable lease	10	-	(144,000)
Payment in-lieu of parking fee	5	120,000	-
Total		48,621,837	48,357,837
Accumulated amortization		(6,523,349)	(1,954,841)
Intangible Assets, net		\$ 42,098,488	\$ 46,402,996

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Amortization expense related to intangible assets for the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor) was \$4,568,508, \$1,954,841, and \$0 respectively, and is included in the consolidated and combined statements of operations.

Future amortization expense related to intangible assets is as follows:

Year Ending December 31,

2023	\$	4,555,186
2024		4,555,186
2025		4,202,061
2026		3,638,602
2027		3,541,886
Thereafter		21,605,567
		\$ 42,098,488

Goodwill consists of the following:

<i>December 31,</i>	2022	2021
Gross carrying amount	\$ 14,645,009	\$ 14,443,609
Accumulated amortization	(2,046,178)	(601,817)
Goodwill, net	\$ 12,598,831	\$ 13,841,792

Amortization expense related to goodwill for the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor) was \$1,444,361, \$601,817, and \$0 respectively, and is included in the consolidated and combined statements of operations.

Future amortization expense related to goodwill is as follows:

Year Ending December 31,

2023	\$	1,444,361
2024		1,444,361
2025		1,444,361
2026		1,444,361
2027		1,444,361
Thereafter		5,377,026
		\$ 12,598,831

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

6. Notes Payable and Long-Term Loan

Long-term debt consists of the following:

<i>December 31,</i>	2022	2021
Southfield Mezzanine debt	\$ 7,500,000	\$ 7,500,000
Texas Capital Bank debt	15,979,167	12,500,000
	23,479,167	20,000,000
Less: Current portion	(850,000)	(416,667)
Less: Unamortized deferred financing fees	(545,366)	(667,586)
Total	\$ 22,083,801	\$ 18,915,747

The annual scheduled future minimum principal repayments for long-term debt as of December 31, 2022, are as follows:

<i>Year Ending December 31,</i>	
2023	\$ 850,000
2024	816,667
2025	816,667
2026	816,667
2027	816,667
Thereafter	19,362,499
Total	\$ 23,479,167

Bank Debt

Southfield Mezzanine Debt

In July 2021, the Successor entered into a loan agreement with Southfield Mezzanine Capital II LP (Southfield) for \$7,500,000 in connection with the acquisition of the Predecessor, alongside \$12,500,000 of funded senior debt (discussed below). The Loan will be secured by a silent second lien on substantially all assets of the Borrower and a second priority pledge of the equity in the Successor. Maturity of the loan is later of five years from closing or six months following the senior debt maturity. The Loan will bear interest at a fixed rate of 12.5% per annum calculated on an actual/360-day basis, payable on a current basis, quarterly in arrears. The outstanding balance as of December 31, 2022 and 2021 was \$7,500,000.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Texas Capital Bank Debt

In July 2021, the Successor entered into a loan agreement with Texas Capital Bank for \$12,500,000 for a term of 10 years. Interest of 3.85% calculated on the loan and all other amounts payable by Borrowers hereunder on a per annum basis shall be computed on the basis of a 360-day year. The outstanding balance as of December 31, 2022 and 2021 was \$11,979,167 and \$12,500,000, respectively.

In July 2021, the Successor entered into a delayed draw agreement with Texas Capital Bank for \$4,000,000 for a term of 5 years. Interest of 3.85% calculated on the loan and all other amounts payable by Borrowers hereunder on a per annum basis shall be computed on the basis of a 360-day year. The draw was made in November 2022 and is payable over a term of 10 years. The outstanding balance as of December 31, 2022 and 2021 was \$4,000,000 and \$0, respectively.

The notes payable due to Texas Capital Bank are subject to certain restrictive financial covenants. As of December 31, 2022, the Successor was in compliance with those financial covenants.

Paycheck Protection Program Loan

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program (PPP) loans that were forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

The PPP loan was administered by the U.S. SBA and the Banks. The PPP loan provided for customary events of default including, among other things, cross-defaults on any other loan with the issuing bank.

The proceeds of the PPP loan could be used for payroll costs, costs related to certain group health care benefits, rent payments, utility payments, mortgage interest payments, and interest payments on other debt obligations that were incurred before February 15, 2020. The Predecessor recognized loan forgiveness of \$238,381 for the period from January 1, 2021 to July 27, 2021, which is included on the accompanying combined statement of operations as a component of other income.

Debt Issuance Costs

Debt issuance costs related to the Successor’s debt liability are capitalized in the consolidated balance sheets and are presented as a direct deduction from the carrying amount of the debt liability. Amortization of debt issuance costs for the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor) were \$122,220, \$103,836 and \$0, respectively, and are included on the accompanying consolidated and combined statements of operations as a component of interest expense.

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

7. Related Parties

Franchise Agreements with Related Parties

As of December 31, 2022, 12 franchise locations are owned by family members of the Successor's members. Royalties and brand development revenue received totaled \$750,778, \$562,327, and \$440,454 from related party franchise locations for the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor), respectively. Receivables from these locations were \$49,126 and \$44,197 as of December 31, 2022 and 2021, respectively.

8. Members' Equity

Ownership rights in both Successor and Predecessor consist of membership interests. During the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor) distributions to members totaled \$4,852,205, \$376,389 and \$3,622,677, respectively. During the year ended December 31, 2022, and for the periods from July 28, 2021 to December 31, 2021 (successor), and January 1, 2021 to July 27, 2021 (predecessor), contributions totaled \$0, \$4,917,497 and \$33,204 from its members, respectively. All debts, obligations, and liabilities shall be solely those of the Successor and Predecessor. Members are not obligated personally for any debts, obligations, or liabilities solely by reason of being a Member.

9. Commitments and Contingencies

The Company may at times be subject to lawsuits and other charges from customers and employees, which are typical within the industry. In the opinion of management, there were no open matters that will have a material effect upon the financial position of the Successor.

10. Operating Leases

The Successor leases its restaurants, commissaries, and office space under the terms of operating leases which expire at various dates through the year 2032. The restaurant, commissary, and office space leases have various renewal options and escalation clauses. The leases generally require the Successor to pay its proportional share of property taxes, insurance on the property, normal maintenance, and annual rental escalations. Certain leases require contingent rent payments based upon a percentage of the applicable restaurant's sales.

The Successor's components of lease expense under ASC 842 for the year ending December 31, 2022, were as follows:

Fixed lease expense	\$	1,500,818
Variable lease expense		379,452
Total	\$	1,880,270

PB Group Holdings, LLC

Notes to Consolidated and Combined Financial Statements

Under ASC 840, rent expense amounted to \$709,405 and \$955,914 for the periods from July 28, 2021, to December 31, 2021 (successor) and January 1, 2021, to July 27, 2021 (predecessor), respectively.

The weighted-average remaining lease term at December 31, 2022 is 6.4 years. The weighted-average discount rate at December 31, 2022 is 1.64%. Cash paid for leases during 2022 totaled \$1,345,261.

Maturities of operating lease liabilities are as follows for years ending December 31:

2023	\$	1,460,525
2024		1,469,423
2025		1,392,374
2026		1,277,698
2027		1,101,726
Thereafter		1,568,389
		<hr/>
		8,270,135
Less: Amount representing interest		(140,551)
		<hr/>
Total		8,129,584
Less: Current Portion		(1,335,087)
		<hr/>
Long-Term Portion	\$	6,794,497

As presented in the 2021 financial statements, future minimum lease payments required under operating leases with lease terms in excess of one year were as follows for the years ending December 31:

2022	\$	1,250,003
2023		1,184,270
2024		1,151,378
2025		1,126,642
2026		1,044,183
Thereafter		2,762,183
		<hr/>
Total	\$	8,518,659

11. Subsequent Events

Management has evaluated subsequent events through April 28, 2023, the date on which the consolidated and combined financial statements were available to be issued.

GUARANTEE OF PERFORMANCE

For value received, PB Group Holdings, LLC, a Delaware Limited Liability Company (the "Guarantor"), located at 803 Ocean Avenue, Belmar, NJ 07719, absolutely and unconditionally guarantees to assume the duties and obligations of Playa Bowls Franchisor, LLC, a New Jersey Limited Liability Company, located at 803 Ocean Avenue, Belmar, NJ 07719 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Belmar, NJ, April on the 28th day of 2023.

GUARANTOR:

PB Group Holdings, LLC

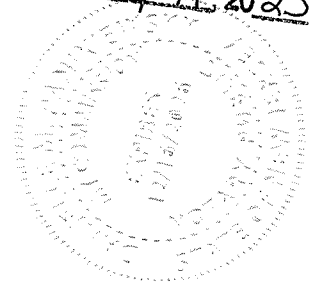
By: [Signature]

Name: DAVID KRISAK

Title: CFO

DANIELLE M. PANIKIEWSKY
Notary Public, State of New Jersey
Commission # 50180247
My Commission Expires 12/16/2028

Sworn to and subscribed
before me this
28th day of April, 2023





**Exhibit B to the
Playa Bowls Franchise Disclosure Document**

FRANCHISE AGREEMENT





PLAYA BOWLS FRANCHISOR LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT



Playa Bowls Franchise Agreement

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ATTACHMENTS

- 1 - Accepted Location and Designated Territory
- 2 - Collateral Assignment of Lease
- 3 - Data Sheet and Statement of Ownership Interests in Franchisee/Entity
- 4 - Confidentiality and Non-Competition Agreement
- 5 - Electronic Funds Transfer Authorization
- 6 - Internet Advertising, Digital Media and Telephone Account Agreement
- 7 - Franchisee Acknowledgment Statement
- 8 - Americans with Disabilities Act Certification
- 9 - Spousal Guaranty





FRANCHISE AGREEMENT

THIS AGREEMENT, entered into on _____ (the “Effective Date”), by and between the franchisor Playa Bowls Franchisor LLC, a New Jersey limited liability company, with its principal address at 803 Ocean Avenue, Belmar, New Jersey 07719 (herein referred to as “we”, “us” or “our”), and _____, a(n) _____, whose principal address is _____, and _____’s principal(s) _____, an individual, residing at _____, and _____, an individual, residing at _____ (“Principal(s)”) who shall be collectively referred to in this Agreement as “you” or “your” or “Franchisee”.

WITNESSETH:

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed and own a unique and distinctive system (hereinafter “System”) relating to the establishment and operation of a shop operating under the name “Playa Bowls” offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options (the “Approved Products and Services”) for dine-in and take-out (“Shop” or “Franchised Business”). You may, subject to our specifications and requirements, also offer delivery and catering services within your Designated Territory;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “Playa Bowls” and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as “Marks” or “Proprietary Marks”);

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service;

WHEREAS, you understand and acknowledge the importance of our high standards of quality, cleanliness, appearance and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications; and

WHEREAS, you desire to use the System in connection with the operation of a Shop at the location accepted by us as herein provided, as well as to receive the training and other assistance provided by us in connection therewith.



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

ARTICLE 1 **GRANT**

1.1 Grant of Franchise

In reliance on the representations and warranties of you and your Principals hereunder, we hereby grant to you, upon the terms and conditions in this Agreement, the right and license, and you hereby accept the right and obligation, to operate a Playa Bowls Shop under the Marks and the System in accordance with this Agreement. You and the Principals have represented to us that you have entered into this Agreement with the intention to comply fully with the obligations to construct a Shop hereunder and not for the purpose of reselling the rights to develop the Shop hereunder. You and the Principals understand and acknowledge that we have granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by, you and the Principals and that this Agreement and the rights and obligations hereunder may not be transferred until after the Shop is open for business to the public in accordance with Article 2.6, and then only in accordance with Article 14 hereof.

1.2 Accepted Location

The specific street address of the Shop location accepted by us shall be set forth in Attachment 1 (“Location” or “Accepted Location”) when such Location is determined. This Agreement does not grant to you the right or license to operate the Shop or to offer or sell any products or services described under this Agreement at or from any location other than the Accepted Location.

1.3 Relocation

If you are unable to continue the operation of the Shop at the Accepted Location because of the occurrence of a force majeure event (as described in Article 17.1.3(e)), then you may request our approval to relocate the Shop to another location in the Designated Territory, as that term is defined below, which approval shall not be unreasonably withheld. Any other relocation outside the Designated Territory or a relocation of the Shop not caused by force majeure shall also be subject to our prior approval. If we elect to grant you the right to relocate the Shop, then you shall comply with the site selection and construction procedures set forth in Article 2. Upon our approval of your relocation request, you shall reimburse our costs and expenses related to your relocation request. As a condition for our approval of a relocation request, at our election, we may require that you sign our then current Shop Franchise Agreement and pay our then current initial franchise fee that is prorated to provide a credit based on the number of years remaining on the initial term of your original Franchise Agreement.

1.4 Designated Territory

Upon the execution of this Agreement or when the Accepted Location is determined, whichever occurs later, you may be assigned a territory (the “Designated Territory”) that will also be described in Attachment 1. You understand and acknowledge that if your Accepted Location is a Non-Traditional Site (as described in Article 1.5 below), you will not receive a Designated Territory.

Except as provided in this Agreement, and subject to your and your Principals’ material compliance with this Agreement, any other agreement among you or any of your affiliates (defined for the purposes hereof as any entity that is controlled by, controlling or under common control with such other entity) and



us, we shall not establish or authorize any other person or entity, other than you, to establish a Shop in the Designated Territory during the term of this Agreement and any extensions hereof. You acknowledge and understand that the rights granted hereunder pertain only to the establishment of a Shop. You acknowledge and agree that our affiliates currently operate, or may in the future operate, shops under different marks and with operating systems that are the same as or similar to the System, and that any such shops might compete with your Shop. You further agree and acknowledge that the license granted hereby is only for the operation of one Shop and only at a location accepted by us.

1.5 Our Reserved Rights

1.5.1 Nothing in this Agreement will prohibit us from: (a) operating and/or franchising others to operate shops identified in whole or in part by the Proprietary Marks and/or utilizing the System anywhere outside the Designated Territory as we deem appropriate and irrespective of the proximity to your Designated Territory; (b) operating and/or franchising others to operate restaurants identified in whole or in part by the Proprietary Marks and/or utilizing the System in the Designated Territory that are located in gas stations or convenience stores; transportation facilities, including airports, train stations, subways and rail and bus stations; military bases and government offices; sports facilities, including stadiums and arenas; amusement parks, zoos and convention centers; malls; car and truck rest stops and travel centers; educational facilities; recreational theme parks; hospitals; business or industrial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; Indian reservations; casinos; or any similar captive market locations within and outside your Designated Territory (“Non-Traditional Site”); (c) granting national, regional or local licenses to third parties to sell products under the Proprietary Marks in foodservice facilities primarily identified by the third party’s trademark within and outside your Designated Territory; (d) merchandising and distributing products identified by the Proprietary Marks in the Designated Territory through any method or channel of distribution other than through the operation of a shop, including distribution of Proprietary Products through supermarkets, grocery stores, club stores and ethnic food stores; (e) selling and distributing products identified by the Proprietary Marks within Franchisee’s Designated Territory to outlets, shops, and restaurants, other than Shops identified by the Proprietary Marks, provided those shops are not licensed to use the Proprietary Marks in connection with their retail sales; (f) selling products and services, within and outside your Designated Territory, through other channels of distribution, including the internet, wholesale, mail order and catalogue; (g) developing and/or owning other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks; (h) purchasing, being purchased by, merging or combining with, businesses that we deem to offer direct competition to Playa Bowls Shops; and (i) use the Proprietary Marks and System and to license others to use the Proprietary Marks and System to engage in all other activities not expressly prohibited by the Franchise Agreement.

1.5.2 You understand and acknowledge that if any Non-Traditional Site (as described above) is located within the physical boundaries of your Designated Territory, then the premises of this Non-Traditional Site will not be included in your Designated Territory and you will have no rights to this Non-Traditional Site.

1.5.3 Without limiting the foregoing, this Article 1.5 does not prohibit us or our affiliates from: (a) operating and franchising others to operate Playa Bowls Shops at any location outside of the Designated Territory; (b) operating and franchising others to operate, after this Agreement terminates or expires, Playa Bowls Shops at any location, including locations inside the Designated Territory; and (c) operating and franchising others to operate at any location, during or after the Initial Term, any type of shop other than a Playa Bowls Shop.



1.5.4 The restrictions contained in Article 1.4 do not apply to Playa Bowls Shops in operation, under lease or construction or other commitment to open in the Designated Territory as of the Effective Date.

1.5.5 Except as expressly limited by this Article 1.5, we and our affiliates have the right to conduct any business activities, under any name, in any geographic area and at any location, regardless of the proximity to the Shop or the economic effect on your Shop or activities under this Agreement.

1.6 Forms of Agreement

You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and other franchisees may have different rights and obligations does not affect our or your duties to comply with the terms of this Agreement.

ARTICLE 2 **SITE SELECTION, PLANS AND CONSTRUCTION**

2.1 Your Responsibility to Locate a Site

You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Shop within the Designated Territory, and for constructing and equipping the Shop at such site. You shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Shop unless the site is accepted by us as set forth below. You acknowledge that the location, selection, procurement and development of a site for the Shop is your responsibility; that in discharging such responsibility you shall consult with real estate and other professionals of your choosing, unless we designate a supplier for these services; and that our approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Shop operated at that site will be profitable or otherwise successful.

2.2 Site Selection

2.2.1 If you do not already have possession of a location that we have accepted upon your execution of this Agreement, then within 180 days of the date this Agreement is executed you shall locate a site for the Shop that satisfies the site selection guidance and advice provided to you by us pursuant to Article 5.1 and submit to us in the form specified by us a description of the site together with such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have 30 days after receipt of this information and materials to accept or decline, in our sole discretion, the proposed site as the location for the Shop. We may, if we determine it is necessary, conduct one on-site evaluation of the proposed location for the Shop. If we conduct an on-site evaluation, you must pay our then current per diem fee for each day of the evaluation, and you must reimburse our representative's expenses while conducting the evaluation, including travel, lodging and meals. No site may be used for the location of the Shop unless it is first accepted in writing by us. You acknowledge and agree that our acceptance of a location for the Shop is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Shop will be profitable. Our acceptance of a location for the Shop only signifies that the location meets our then current minimum criteria for a Playa Bowls Shop. We reserve the right to approve deviations from our site selection standards based on the individual factors and components of a particular site, but any such approvals shall be granted in our sole



discretion. If you are unable to locate a site for your Shop within 180 days after this Agreement is executed, we may terminate this Agreement.

2.2.2 If you elect to purchase the premises for the Shop, you shall submit a copy of the proposed contract of sale to us for our written approval prior to its execution and shall furnish to us a copy of the executed contract of sale within 10 days after execution. If you will occupy the premises of the Shop under a lease or sublease, you shall submit a copy of the lease or sublease to us for written acceptance prior to its execution and shall furnish to us a copy of the executed lease or sublease within 10 days after execution. No lease or sublease for the Shop premises shall be accepted by us unless a Collateral Assignment of Lease, prepared by us and executed by us, you and the lessor or sublessor, in substantially the form attached as Attachment 2, is attached to the lease and incorporated therein. We shall have 10 days after receipt of the lease, sublease or the proposed contract of sale to either accept or decline such documentation prior to its execution. If we do not provide our specific approval of the lease, sublease or contract of sale within this 10 day period, then it shall be deemed not accepted.

2.2.3 After we have accepted the location for your Shop and that Accepted Location is acquired by you pursuant to this Agreement, the Accepted Location and your Designated Territory shall be described in Attachment 1.

2.3 Zoning Clearances, Permits and Licenses

You shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to the Accepted Location. Prior to beginning the construction of the Shop, you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Shop, and (ii) certify in writing to us that the insurance coverage specified in Article 12 is in full force and effect (or provide us with a certificate of insurance evidencing coverage) and that all required approvals, clearances, permits and certifications have been obtained. Upon written request, you shall provide to us additional copies of your insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications.

2.4 Design of Shop

You must obtain any architectural, engineering and design services required for the construction of the Shop at your own expense from an architectural design firm approved or designated by us. You shall adapt the prototypical architectural and design plans and specifications for construction of the Shop provided to you by us in accordance with Article 5.3 as necessary for the construction of the Shop and shall submit such adapted plans to us for our review. Such plans must comply with applicable laws (including the Americans with Disabilities Act), ordinances and building codes for the city and state in which the Shop will be located. If we determine, in our reasonable discretion, that any such plans are not consistent with the best interests of the System, we may prohibit the implementation of such plans, and in this event will notify you of any objection(s) within 10 days of receiving such plans. If we fail to notify you of an objection to the plans within this time period, you may use such plans. If we object to any such plans, we shall provide you with a reasonably detailed list of changes necessary to make the plans acceptable. We shall, upon a re-submission of the plans with such changes, notify you within 10 days of receiving the resubmitted plans whether the plans are acceptable. If we fail to notify you in writing of any objection within such time period, you may use the resubmitted plans. You acknowledge that our review of such plans relates only to compliance with the System and that acceptance by us of such plans does not constitute a representation, warranty, or guarantee, express or implied, by us that such plans are accurate or free of error concerning



their design or structural application, or that such plans comply with any laws, ordinances or building codes applicable to the Accepted Location.

2.5 Build-Out of Shop

You shall commence and diligently pursue construction or remodeling (as applicable) of the Shop. Commencement of construction shall be defined as the time at which any site work is initiated by you or on your behalf at the location accepted for the Shop. Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises. During the time of construction or remodeling, you shall provide us with such periodic reports regarding the progress of the construction or remodeling as may be reasonably requested by us. In addition, we may make such on-site inspections as we may deem reasonably necessary to evaluate such progress. You shall notify us of the scheduled date for completion of construction or remodeling no later than 30 days prior to such date. Within a reasonable time after the date of completion of construction or remodeling, we may, at our option, conduct an inspection of the completed Shop. You acknowledge and agree that you will not open the Shop for business without our written authorization and that authorization to open shall be conditioned upon your strict compliance with this Agreement and your certification to us, in the form attached hereto as Attachment 8, that the Shop has been constructed in compliance with the Americans with Disabilities Act.

2.6 Opening Date; Time is of the Essence

You acknowledge that time is of the essence. Subject to your compliance with the conditions stated below, you shall open the Shop and commence business not later than nine months after the Effective Date. The date the Shop actually opens for business to the public is herein called the "Opening Date". Prior to opening, you shall complete all exterior and interior preparations for the Shop, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications reasonably approved by us, and shall comply with all of your other pre-opening obligations, including, but not limited to, those obligations described in Articles 6.2 through 6.6, to our reasonable satisfaction. If you fail to reasonably comply with any of such obligations, except for delay caused by a force majeure event as described in Article 17.1.3(e), we shall have the right to prohibit you from commencing business. Prior to opening the Franchised Business, and before any renovation to the Franchised Business, you shall execute an Americans with Disabilities Act Certification in the form attached to this Agreement as Attachment 8 that certifies in writing to us that the Franchised Business and any proposed renovations comply with the Americans with Disabilities Act. If you are unable to open your Shop within the timeframe required herein, we may terminate this Agreement.

ARTICLE 3 **TERM AND RENEWAL**

3.1 Term

Unless sooner terminated as provided under the terms of this Agreement, the term of this Agreement shall be a period of 10 consecutive years, commencing on the Effective Date ("Initial Term").

3.2 Renewal

If you satisfy each of the requirements set forth below, you may renew this Agreement for one additional term of 10 years.



3.2.1 You shall have been, throughout the initial term of this Agreement (and any previous and then current renewal term, as the case may be), in substantial compliance, and at the expiration of such Initial Term (and any previous and then current renewal term, as the case may be) are in full compliance, with this Agreement, your lease or sublease and all other agreements between you and us or companies or persons associated or affiliated with us.

3.2.2 You shall, within six months before the expiration of the Initial Term or then current renewal term, as the case may be, but not later than three months before the expiration of the Initial Term or then current renewal term, as the case may be, provide written notice to us that you wish to renew this Agreement, and we, in turn, shall provide you with any documents that you are required to execute for the renewal term, which documents may include, but are not limited to, a general release, our then current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Playa Bowls franchises (all of which will contain terms and fees substantially the same as those included in Franchise Agreements being executed at the time of renewal, and which will not obligate you to pay a further initial franchise fee) (the “Renewal Franchise Documents”).

3.2.3 You shall execute the Renewal Franchise Documents and all other documents and instruments that we require in order to renew this Agreement. You shall return the executed Renewal Franchise Documents to us, together with payment of a renewal fee equal to our then current initial franchise fee under our then current Franchise Agreement, by no later than the expiration date of the Initial Term. If we do not receive the executed documents and renewal fee by such expiration date, then this Agreement shall expire, you shall have no further rights under this Agreement, and you shall comply with the provisions of Article 18 and any other provisions that survive termination or expiration of this Agreement.

3.2.4 After we have received from you all executed Renewal Franchise Documents and the renewal fee, we shall inspect your Shop to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Shop in order to bring the Shop up to our then current image and standards for new Playa Bowls Shops. We will provide notice to you of the modifications you shall be required to make, and you shall have six months from the date of such notice to effectuate such modifications. If you fail or refuse to make the required modifications, we shall have the right to terminate the Renewal Franchise Documents.

3.3 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the Accepted Location is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the renewal term. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

3.4 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the applicable law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will



be subject to the terms in the then current Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

3.5 Your Election Not to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the Franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us any of the Renewal Franchise Documents required by us for a renewal franchise, together with payment of our then current renewal fee, or if you provide written notice to us within the final 60 days of the Initial Term or then current renewal term, as the case may be, indicating that you do not wish to renew this Agreement.

ARTICLE 4

FEES

4.1 Initial Franchise Fee

You shall pay to us an initial franchise fee of \$35,000 which shall be paid upon the execution of this Agreement. The amount of the initial franchise fee when so paid shall be deemed fully earned in consideration of the administrative and other expenses incurred by us in granting the franchise hereunder and for our lost or deferred opportunity to grant such franchise to any other party and shall be fully non-refundable.

4.2 Royalty Fees

4.2.1 During the term of this Agreement, you shall pay to us, in partial consideration for the rights herein granted, a continuing monthly royalty fee in an amount equal to 6% of your monthly Gross Sales (“Royalty Fee”). Such Royalty Fee shall be due and payable on the 10th of each month based on the Gross Sales for the preceding calendar month, provided that such day is a business day. If the date on which such payments would otherwise be due is not a business day, then payment shall be due on the next business day.

4.2.2 Each Royalty Fee shall be calculated by us based on the Gross Sales for the preceding calendar month and any other reports required hereunder. You shall provide us with independent access to your computer system, point of sale system and software as detailed in Article 7.5.8 herein which shall provide us with the ability to electronically inspect and download the data collected and maintained therein.

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

4.3 National Marketing Fund Fee

4.3.1 In addition to the Royalty Fee described in Article 4.2 above, you agree to pay to us a national marketing fund fee in an amount equal to up to 3% of the Shop’s Gross Sales (“National Marketing Fund Fee”). Such amount shall be contributed to a National Marketing Fund maintained by us, as described in Article 8.3 below. If the National Marketing Fund has not yet been established when this Agreement is executed by you and us, then you shall begin paying the National Marketing Fund Fee upon 30 days’ advance notice from us that the National Marketing Fund has been established. The national marketing fund fee is payable to us at the same time and in the same manner as the Royalty Fee. Upon



notice to you we may modify and change the rate applicable to calculation of the National Marketing Fund Fee, provided that the National Marketing Fund Fee does not exceed 3% of the Shop's Gross Sales.

4.3.2 We may periodically receive allowances, rebates or other payments from approved suppliers based on purchases from such suppliers by our franchisees, and we may elect to contribute such allowances, rebates or other payments to the National Marketing Fund. You understand and acknowledge, however, that any such contribution of these amounts by us to the National Marketing Fund does not in any manner diminish or eliminate your obligation to pay the National Marketing Fund Fee.

4.4 Payments to Us

By executing this Agreement, you agree that we shall have the right to withdraw funds from your designated bank account by electronic funds transfer ("EFT") in the amount of the Royalty Fee, National Marketing Fund Fee, and any other payments due to us and/or our affiliates. If we are unable to download the required Gross Sales data from your computer system, point of sale system and software, we may debit your account for 120% of the last Royalty Fee and National Marketing Fund Fee that we debited. If the Royalty Fee and National Marketing Fund Fee we debit are less than the Royalty Fee and National Marketing Fund Fee you actually owe to us, once we have been able to determine the Shop's true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and National Marketing Fund Fee we debit are greater than the Royalty Fee and National Marketing Fund Fee you actually owe, we will credit the excess against the amount we otherwise would debit from your account during the following month. You shall, upon execution of this Agreement or at any time thereafter at our request, execute such documents or forms as we or your bank determine are necessary for us to process EFTs from your designated bank account for the payments due hereunder. If payments are not received when due, interest may be charged by us in accordance with Article 4.6 below. Upon written notice to you, you may be required to pay such fees directly to us in lieu of EFT, at our sole discretion.

4.5 Late Fee

If any amount you owe to us is not paid within five days of the due date then, in addition to applicable interest on the overdue amount as described in Article 4.6 below, you agree to pay to us a late fee of \$50 each time such payment is not made to us within five days of its due date.

4.6 Interest on Overdue Amounts

You shall not be entitled to withhold payments due us under this Agreement on grounds of alleged non-performance by us hereunder. Any payment or report not actually received by us on or before its due date shall be deemed overdue. Time is of the essence with respect to all payments to be made by you to us. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of (i) 18% per annum; or (ii) the maximum rate allowed by applicable law. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If any excess of interest is provided for herein or shall be adjudicated to be so provided in this Agreement, the provisions of this paragraph shall govern and prevail, and neither you nor your Principals shall be obligated to pay the excess amount of such interest. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment and reduction of any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder then such excess shall be repaid to the party that paid such interest.



4.7 Definition of Gross Sales

“Gross Sales” shall mean the total selling price of all services and products and all income of every other kind and nature related to the Shop, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments.

4.8 Insufficient Funds Fees

If there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, you will pay to us an insufficient funds fee equal to \$100 and you shall reimburse us for the total amount of any bank charges incurred. This fee is in addition to late fees and interest on any overdue amount, as described in Articles 4.5 and 4.6 above, and any fees charged by your bank. If you incur three insufficient funds fees within any 12 month period, we may terminate this Agreement without providing you the opportunity to cure the default.

4.9 Technology Fee

Throughout the Term of this Agreement, you shall pay to us a continuing monthly non-refundable technology fee (the “Technology Fee”). The Technology Fee is a general administrative fee designated and determined by us to defray technology related costs that we may incur. The Technology Fee is not connected to any particular service and is administrative in nature. At all times we possess the right to implement and require that you pay to us a monthly Technology Fee in an amount determined by us but not exceeding \$450 per month.

4.9 Payment of Additional Fees

You shall pay such other fees or amounts described in this Agreement.

ARTICLE 5 **OUR OBLIGATIONS**

We agree to provide the services described below with regard to the Shop:

5.1 Site Selection Guidelines

We will provide you with the site selection counseling and such site selection assistance as we may deem advisable.

5.2 On-Site Evaluation

We will, if we deem it necessary, conduct one on-site evaluation of a site that you propose to us for your Shop, provided that we have received all required information and materials concerning such site prepared pursuant to Article 2. If we conduct an on-site evaluation, you must pay our then current per diem fee for each day of the evaluation, and you must reimburse our representative’s expenses while conducting the evaluation, including travel, lodging and meals.



5.3 Design Plans

We will provide, on loan, one set of prototypical architectural and design plans and specifications for a Shop. You shall, at your expense, have such architectural and design plans and specifications adapted for construction of the Shop in accordance with Article 2 using an architect or design that we have approved or designated.

5.4 Confidential Operations Manual

We will provide, on loan, one set of Confidential Operations Manuals and such other manuals and written materials as we shall have developed for use in the Franchised Business (as the same may be revised by us from time to time, the “Manuals”), as more fully described in Article 10.1. The Manuals may, in our discretion, be provided electronically or via an intranet website for all Playa Bowls Shops in the System.

5.5 Visits and Evaluations

We will visit the Shop and evaluate the products sold and services rendered therein from time to time as reasonably determined by us, as more fully described in Article 7.5.6.

5.6 Management and Operations Advice

We will provide advice and written materials concerning techniques of managing and operating the Shop from time to time developed by us, including new developments and improvements in Shop equipment, food products and the packaging and preparation thereof, and menu items. Notwithstanding the foregoing, you understand and acknowledge that we reserve the right, in our sole discretion, to grant to certain Playa Bowls Shops variances from our standard menu to accommodate regional or local tastes or ingredients. Nothing in this Agreement requires us to grant to you a similar variance.

5.7 Products for Resale

From time to time and at our reasonable discretion, at a reasonable cost, we shall make available for resale to your customers certain merchandise identifying the System, such as logoed merchandise and memorabilia, and other proprietary products in sufficient amounts to meet customer demand. We may specify that you must purchase such merchandise from us, our affiliate, or another designated supplier.

5.8 Approved Suppliers

We will provide a list of approved suppliers as described in Article 7.4 from time to time as we deem appropriate.

5.9 Initial Training Program

We will provide an initial training program for up to three people, including you, your General Manager and one additional person, as well as other training programs in accordance with the provisions of Article 6.4.

5.10 Opening Assistance

We will provide on-site opening assistance at the Shop in accordance with the provisions of Article 6.4.



5.11 National Marketing Fund; Marketing Cooperatives

We have, will, or may establish and administer a national marketing fund and/or marketing cooperatives in accordance with Article 8.

ARTICLE 6

YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Use Commercially Reasonable Efforts

Each of you and the Principals covenants and agrees that they shall make all commercially reasonable efforts to operate the Shop so as to achieve optimum sales.

6.2 Representations of Corporate Entity

If you are a corporation, limited liability company, or partnership, you and the Principals represent, warrant and covenant that:

6.2.1 You are duly organized and validly existing under the state law of your formation;

6.2.2 You are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification;

6.2.3 Your corporate charter, operating agreement, or written partnership agreement shall at all times provide that your activities are confined exclusively to the operation of the Shop, unless otherwise consented to in writing by us;

6.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within your corporate power, if you are a corporation, or if you are a limited liability company, permitted under your operating agreement, or if you are a partnership, permitted under your written partnership agreement and have been duly authorized by you;

6.2.5 If you are a corporation or a limited liability company, copies of your articles of incorporation, bylaws, operating agreement, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by us shall be furnished to us prior to the execution of this Agreement; or, if you are a partnership, copies of your written partnership agreement, other governing documents and any amendments thereto shall be furnished to us prior to the execution of this Agreement, including evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if such approval or consent is required by your written partnership agreement;

6.2.6 If you are a corporation, partnership or other form of legal entity other than an individual, the ownership interests in you are accurately and completely described in Attachment 3. Further, if you are a corporation, you shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in you or, if you are a partnership or other form of legal entity, you shall maintain at all times a current list of all owners of an interest in the partnership or entity. You shall immediately provide a copy of the updated list of all owners to us upon the occurrence of any change of ownership and otherwise make your list of owners available to us upon reasonable written request;



6.2.7 If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your records of any of equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to us that it is held subject to all restrictions imposed upon assignments by this Agreement. If you are a partnership or limited liability company, your written agreement shall provide that ownership of an interest in the entity is held subject to all restrictions imposed upon assignments by this Agreement;

6.2.8 You must have provided us with your most recent financial statements. Such financial statements present fairly your financial position, at the dates indicated therein and with respect to you, the results of your operations and your cash flow for the years then ended. You agree that you shall maintain at all times, during the term of this Agreement, sufficient working capital to fulfill your obligations under this Agreement. Each of the financial statements mentioned above shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on your financial statements; and

6.2.9 You and the Principals acknowledge and agree that the representations, warranties and covenants set forth above in Articles 6.2.1 through 6.2.8 are continuing obligations of you and the Principals, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. You and the Principals will cooperate with us in any efforts made by us to verify compliance with such representations, warranties and covenants.

6.3 General Manager

You shall designate and retain at all times a general manager (“General Manager”) to direct the operation and management of the Shop. The General Manager shall be responsible for the daily operation of the Shop and shall not be one of the Principals. You shall be required to hire an individual independent of you and who does not have an ownership interest in you to be your General Manager. The General Manager shall, during the entire period he/she serves as General Manager, meet the following qualifications:

6.3.1 The General Manager shall satisfy our educational and business experience criteria as set forth in the Manuals as defined herein or otherwise in writing by us;

6.3.2 The General Manager shall devote full time and best efforts to the supervision and management of the Shop;

6.3.3 The General Manager shall be an individual acceptable to us; and

6.3.4 The General Manager shall satisfy the training requirements set forth in Article 6.4. If, during the term of this Agreement, the General Manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Article, you shall promptly (not later than seven days after the event) notify us and designate a replacement within 30 days after the General Manager ceases to serve, such replacement being subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us). You shall provide for interim management of the Shop until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement. Any failure to materially comply with the requirements of this Article 6.3 shall be deemed a material event of default under Article 17.1.3(o) hereof.



6.4 Training

You agree that it is necessary to the continued operation of the System and the Shop that your personnel receive such training as we may reasonably require, and accordingly agree as follows:

6.4.1 (a) Not later than 30 days prior to the Opening Date, up to three trainees (including you, your General Manager and one additional person) shall have completed, to our reasonable satisfaction, our initial training program, including classroom training and training in an operating Shop at such location(s) as may be designated by us. If you request that we provide our initial training program to any additional trainees, you shall pay our then current, per person training fee for each additional trainee. You shall be responsible for any and all expenses incurred by you, your General Manager and other Shop personnel in connection with any initial training program, including, without limitation, costs of travel, lodging, meals and applicable wages.

(b) We shall determine, in our reasonable discretion, whether you and/or the General Manager have satisfactorily completed initial training. If the initial training program is (a) not completed within the timeframe required by us, (b) not satisfactorily completed by the General Manager, or (c) if we in our reasonable business judgment, based upon the performance of the General Manager, determine that the training program cannot be satisfactorily completed by any such person, you shall designate a replacement to satisfactorily complete such training at your expense, including payment of our then current training fee. If the replacement General Manager cannot complete the initial training program to our satisfaction, we have the right to terminate this Agreement. Any General Manager subsequently designated by you shall also receive and complete such initial training before you will be permitted to open your Shop.

(c) Any manager subsequently designated by you must also receive and complete the initial training program to our satisfaction, even if this requires sending that manager to our headquarters training program, at your expense. We reserve the right to charge a reasonable fee for the initial training we provide to a replacement or successor employee if we have not approved you to provide the training. You must also pay for all expenses you, your managers and other personnel incur for any training program, including costs of travel, lodging, meals and applicable wages. We may approve you to train replacement managers under our training program before permitting you to train your entire staff, if this Agreement is for your third or later Shop. You may not train any personnel until we have approved you as a trainer.

6.4.2 If you request it, or if we deem it is necessary, we will provide one of our representatives to provide up to seven days of pre-opening and opening assistance and training around the opening of your Shop. You must pay our then current per diem fee for each day our representative spends at your Shop, and you must reimburse the out-of-pocket expenses our representative incurs, including travel, lodging and meals. If this Agreement is for your second or later Shop, we reserve the right to reduce the duration of such representative's visit or to not provide pre-opening assistance and training.

6.4.3 Upon your reasonable request or if we determine that additional training or assistance is necessary, we shall, during the term hereof and subject to the availability of personnel, provide you with additional trained representatives who shall provide on-site remedial training and assistance to your Shop personnel. For this additional training and assistance, you shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.



6.4.4 We reserve the right to conduct additional or refresher training programs, seminars and other related activities regarding the operation of the Shop. Such training programs and seminars may be offered to you, your managers or other Shop personnel generally, and we may designate that such training programs and seminars are mandatory for you, your General Manager, or other Shop personnel. You must pay our then current per person fee for each trainee from your Shop, and you will pay for all of the expenses incurred by your trainees, including travel, lodging, meals and wages.

6.4.5 Industry Certifications. In addition to our training requirements, we require you, your General Manager, managers and additional employees we designate to maintain industry certifications from an approved food safety and handling program (ServSafe or a similar program). These training and certification programs will be at your sole expense, including program fees, travel, lodging, meals and applicable wages. Recertification may be necessary based on the specific requirements of each industry certification program.

6.5 Franchisee Meetings

We reserve the right to hold meetings for all franchisees and other Playa Bowls Shop operators, which meetings shall not occur more frequently than annually. We shall not be required to hold such meetings until we believe it is prudent to do so. These meetings may be used to provide additional training, introduce new products or changes to the System, or for other reasons. We reserve the right to designate that attendance at any franchisee meeting is mandatory for you, your General Manager, and/or other Shop personnel. You must pay our then current per person fee for each attendee from your Shop, and you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages.

6.6 Compliance with Laws

You shall comply with all requirements of federal, state and local laws, rules, regulations, and orders, including but not limited to obtaining the appropriate licenses and permits required by your local or state government.

You and your Principals agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Principals certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Principals, or any blocking of your or your Principals’ assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

6.7 Compliance with All Other Obligations

You shall comply with all other requirements and perform such other obligations as provided hereunder.

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6.8 Guaranty

If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 9.

ARTICLE 7 FRANCHISE OPERATIONS

7.1 Compliance with Standards

You understand the importance of maintaining uniformity among all of the Shops and the importance of complying with all of our standards and specifications relating to the operation of the Shop.

7.2 Maintenance of Shop

You shall maintain the Shop in a high degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment (including, but not limited to, point of sale or computer hardware and software systems), and décor as we may reasonably direct in order to maintain System-wide integrity and uniformity. You shall also obtain, at your cost and expense, any new or additional equipment (including point of sale or computer hardware and software systems), fixtures, supplies and other products and materials which may be reasonably required by us for you to offer and sell new menu items from the Shop or to provide the Shop services by alternative means, such as through catering or delivery arrangements. Except as may be expressly provided in the Manuals, no material alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Shop or its premises without our prior written approval, which shall not be unreasonably withheld.

In the event we notify you of any additions, alterations, repairs and replacements required to be made to your Shop or the Accepted Location and you fail to make such additions, alterations, repairs and replacements within the timeframe we require, we shall have the right, without liability for trespass or tort, to enter the Accepted Location and make the additions, alterations, repairs and replacements, and you agree to promptly reimburse us for our expenses in so acting.

7.3 Remodeling and Redecorating

To assure the continued success of the Shop, you shall, upon our request, upgrade, remodel and/or redecorate the Shop premises, equipment (including point of sale or computer hardware and software systems), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Shop to our then current System-wide standards and specifications. We agree that we shall not request such upgrading, remodeling and/or redecorating more frequently than every five years during the term of this Agreement, except that if the Shop franchise is transferred pursuant to Article 14, we may request that the transferee remodel and/or redecorate the Shop premises as described herein.



7.4 Approved Suppliers

7.4.1 You shall comply with all of our standards and specifications relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including point of sale and computer hardware and software systems) and other products used or offered for sale at the Shop. Except as provided in Articles 7.6 and 7.7 with respect to certain materials bearing the Marks and proprietary products, you shall obtain such items from suppliers (including manufacturers, distributors and other sources) who continue to demonstrate the ability to meet our then current standards and specifications for food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment and other items used or offered for sale at Shops and who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved in writing by us prior to any purchases by you from any such supplier; and who have not thereafter been disapproved by us.

7.4.2 If you desire to purchase, lease or use any unapproved products or other items, or you desire to purchase or lease from an unapproved supplier, you shall submit to us a written request for approval of such product or supplier, or shall request the supplier itself to do so. You shall reimburse the reasonable expenses we incur related to our evaluation of the proposed product or supplier. You shall not purchase or lease any product or from any supplier until and unless such product or supplier has been approved in writing by us. We shall have the right to require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered, either to us or to an independent laboratory designated by us, for testing. We reserve the right, at our option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then current criteria. Nothing herein shall be construed to require us to approve any particular supplier.

7.4.3 You understand and acknowledge that we may periodically receive payments from approved suppliers, such as in the form of rebates, based on such approved suppliers' sales of products and services to our franchisees. We reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid to us or any affiliate that we may designate. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

7.5 Operation of Shop in Compliance with Our Standards

To ensure that the highest degree of quality and service is maintained, you shall operate the Shop in strict conformity with such of our methods, standards and specifications set forth in the Manuals and as may from time to time otherwise be prescribed in writing. In particular, you also agree:

7.5.1 To sell or offer for sale all menu items, products and services required by us and in the method, manner and style of distribution prescribed by us and only as expressly authorized by us in writing in the Manuals or otherwise in writing. You understand and acknowledge that the rights granted to you hereunder do not include the right to sell any approved menu items or products from your Shop at wholesale.

7.5.2 To sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by us; to refrain from deviating from our standards and specifications without our prior written consent; and to discontinue selling and offering for sale any menu items, products or services which we may, in our sole discretion, disapprove in writing at any time. Notwithstanding the foregoing, you understand and agree that we have the right, in our sole discretion, to grant to certain Playa



Bowls Shops variances from our standard menu to accommodate regional or local tastes or ingredients, and that nothing in this Agreement requires us to grant to you a similar variance.

7.5.3 To maintain in sufficient supply and to use and sell at all times only such food and beverage items, ingredients, other products, materials, merchandise, supplies and paper goods that conform to our standards and specifications; to prepare all menu items in accordance with our recipes and procedures for preparation contained in the Manuals or other written directives, including, but not limited to, the prescribed measurements of ingredients; and to refrain from deviating from our standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without our prior written consent.

7.5.4 To permit us or our agents, during normal business hours, to remove a reasonable number of samples of food or non-food items from your inventory or from the Shop, without payment therefor, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether such 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 the supplier of the item has not previously been approved by us or if the sample fails to conform with our reasonable specifications.

7.5.5 To purchase or lease and install, at your expense, all fixtures, furnishings, equipment (including point of sale and computer hardware and software systems), décor items, signs, delivery vehicles, and related items as we may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Shop premises, without our prior written consent, any fixtures, furnishings, equipment, delivery vehicles, décor items, signs, games, vending machines or other items not previously approved as meeting our standards and specifications. If any of the property described above is leased by you from a third party, such lease shall be approved by us, in writing, prior to execution. Our approval shall be conditioned upon such lease containing a provision which permits any interest of yours in the lease to be assigned to us upon the termination or expiration of this Agreement and which prohibits the lessor from imposing an assignment or related fee upon us in connection with such assignment.

7.5.6 To grant us and our agents the right to enter upon the Shop premises and any delivery/catering vehicle, during normal business hours, for the purpose of conducting inspections; to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limiting our other rights under this Agreement, to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by us, we shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge you a reasonable fee for our expenses in so acting, payable by you immediately upon demand. In addition, we may require you to attend remedial training at our headquarters or we may send a trainer to your Shop to provide remedial training, at your expense, which may include training or per diem fees and reimbursement of travel and living expenses.

7.5.7 To maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that your employees preserve good customer relations and comply with such dress code as we may reasonably prescribe from time to time.

7.5.8 To install and maintain equipment and a telecommunications line in accordance with our specifications to permit us to access and retrieve by telecommunication any information stored on a point of sale system (or other computer hardware and software) you are required to utilize at the Shop



premises as specified in the Manuals, thereby permitting us to inspect and monitor electronically information concerning your Shop, Gross Sales and such other information as may be contained or stored in such equipment and software. You shall obtain and maintain high speed internet access and/or other means of electronic communication, as specified by us from time to time. It shall be a material default under this Agreement if you fail to maintain such equipment, lines and communication methods in operation and accessible to us at all times throughout the term of this Agreement. We shall have access as provided herein at such times and in such manner as we shall from time to time specify.

7.5.9 To honor all credit, charge, courtesy or cash cards or other credit devices required or approved by us. You must obtain our written approval prior to honoring any previously unapproved credit, charge, courtesy or cash cards or other credit devices. Additionally, you are expressly prohibited from offering customer discounts for cash payments and from issuing surcharges to customers for payments made by credit card, unless we provide our prior written permission to do so.

7.5.10 To sell or otherwise issue gift cards or certificates (together “Gift Cards”) that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified by us in the Manuals or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Playa Bowls Shop. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manuals or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other Playa Bowls Shops and for making timely payment to us, other operators of Playa Bowls Shops, or a third party service provider for Gift Cards issued from the Shop that are honored by us or other Playa Bowls Shop operators. We reserve the right to alter the terms and conditions of any Gift Card or loyalty programs, including reserving the right to apply changes retroactively to benefits already accrued under such programs.

7.5.11 To participate in our loyalty program and to issue and honor any loyalty cards that we designate or approve for the System. You agree to pay any then current fees to our approved supplier for participation in this program, and to comply with all applicable rules and procedures for such program.

7.5.12 To operate the Shop per System standards and be open for business according to the hours and days of operation as specified by us from time to time.

7.6 Proprietary Products

You acknowledge and agree that we and our affiliates may develop for use in the System certain products which are prepared from confidential proprietary recipes and which are trade secrets of us and our affiliates, and other proprietary products bearing the Marks. Because of the importance of quality and uniformity of production and the significance of such proprietary products in the System, it is to the mutual benefit of the parties that we closely control the production and distribution of such proprietary products. Accordingly, you agree that if such proprietary products become a part of the System, you shall use only our secret recipes and proprietary products and shall purchase all of your requirements for such proprietary products solely from us or from a source designated by us. You further agree to purchase from us or our designated supplier for resale to your customers proprietary products and other merchandise identifying the System as we shall require, such as logoed merchandise, memorabilia and promotional products, in amounts sufficient to satisfy your customer demand.

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7.7 Advertising and Promotional Materials

You shall require all advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Franchised Business), and other items which may be designated by us to bear the Marks in the form, color, location and manner prescribed by us, including, without limitation, notations about the ownership of the Marks.

7.8 Complaints

You shall process and handle all consumer complaints connected with or relating to the Shop and shall promptly notify us by telephone and in writing of all of the following complaints: (i) food related illnesses, (ii) environmental, safety or health violations, (iii) claims exceeding \$500.00, and (iv) any other material claims against or losses suffered by you. You shall maintain for our inspection any governmental or trade association inspection reports affecting the Shop or equipment located in the Shop during the term of this Agreement and for 30 days after the expiration or earlier termination of this Agreement.

7.9 Telephone Number, Digital Media, and Website Prohibitions

As used in this Article 7.9 and this Agreement, the term “Digital Media” refers to and means any interactive or static digital document, listing, directory, application, advertisement, e-commerce platform, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to Playa Bowls Shops, your Shop, the Marks, the System and/or us. Digital Media includes our designated website(s), and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

Your use of any Digital Media is subject to and shall require our express written consent and authorization which may be withheld by us for any or no reason at all, or, as we elect, conditioned on standards, specifications and requirements designated by us from time to time. You agree that all telephone numbers, Digital Media and Digital Media accounts, at our election and subject to our designation and specification, System shall be owned by us and all telephone numbers, Digital Media and Digital Media accounts that are owned or registered to you (whether such ownership or registration was authorized by us, unknown to us, or obtained in violation of the terms of this Agreement), upon our demand, shall be transferred to us or our designees.

Upon the execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary, including the agreements attached hereto as Attachment 6, to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of assigning to us only upon the termination or expiration of this Agreement, as required under Section 18.15: (i) all rights to the telephone numbers of the Shop and any related and other business listings; and (ii) internet listings, domain names, internet accounts, advertising on the internet or world wide web, websites, listings with search engines, email addresses or any other similar listing or usages related to the Franchised Business. You agree that you have no authority to and shall not establish any website or listing on the internet or world wide web without our express written consent, which consent may be denied without reason.



7.10 Customer Surveys

You shall participate in all customer surveys and satisfaction audits, which may require that you provide discounted or complimentary products, provided that such discounted or complimentary sales shall not be included in the Gross Sales of the Shop. Additionally, you shall participate in any complaint resolution and other programs as we may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers.

7.11 Mystery Shopper Service

We may designate an independent evaluation service to conduct a “mystery shopper” quality control and evaluation program with respect to Shops. You agree that the Shop will participate in such mystery shopper program, as prescribed and required by us, provided that Shops owned by us, our affiliates and our franchisees also will participate in such program to the extent we have the right to require such participation, and you further agree to pay all fees related to such mystery shopper program as designated and determined by us.

7.12 Pricing

Where permitted by applicable law and, to the fullest extent permitted by law, we reserve the right to designate and establish, maximum, minimum, promotional, and other pricing requirements that you must comply with respecting prices charged to customers of your Shop and promotions that you must provide to customers of your Shop. You agree that our pricing and promotion requirements may change from time to time and may vary depending on geography (towns, cities, states, regions) and other factors designated by us including, our designation of any local, regional, or national promotional campaigns. You agree that our pricing and promotional requirements may directly or indirectly impact retail prices of your Shop and may designate specific pricing to be included in advertisements and promotional materials. You agree that nothing contained in this Article 7.12 shall be deemed a representation by us that if you follow our pricing or promotion requirements you will generate a profit. You agree that any pricing and promotional requirements designated by us may or may not optimize the revenues or profitability of your Shop. You waive any and all claims related to our establishment of prices charged at your Shop. At all times, you agree to inform us of all prices charged for products sold by your Shop and to inform us of any modifications of your prices.

7.13 Motor Vehicles

If we permit you to provide catering or delivery services, we anticipate that your employees will use their personal vehicles to provide such services from your Shop. We reserve the right to require you to have temporary signage placed on each delivery vehicle. We expect that all delivery vehicles will be kept clean, in good working order and be properly insured. You must have each person providing those services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles. Except as described in this paragraph, we do not have any standards or exercise control over any motor vehicle that you use.

7.14 Unapproved Products and Services

In the event you sell any food, beverage, products, novelty items, clothing, souvenirs or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or from performing such services and (ii) pay to us, on demand,



a prohibited product or service fine equal to \$250 per day for each day such unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or service is offered or provided by you after written notice from us. The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law.

7.15 Online Orders

You are required to participate in our online and/or Digital Media ordering program(s), whereby your customers submit food orders through the internet. You agree to pay any then current fees to our approved supplier for participation in the online ordering program, and to comply with all rules and procedures applicable to such program(s).

ARTICLE 8 MARKETING AND PROMOTION

Recognizing the value of marketing and the importance of the standardization of marketing programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

8.1 Participation in Marketing; National Marketing Programs

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Shops operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

We may, from time to time, incorporate into the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Shop, along with other Playa Bowls Shops, will be required to offer and sell. This activity, referred to as “cobranding”, may involve changes to the Proprietary Marks and may require you to make modifications to your premises and the furniture, fixtures, equipment, signs and trade dress of your Shop. If you receive written notice that we are instituting a cobranding program, you agree promptly to implement that program at your Shop at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Royalty Fees, National Marketing Fund Fee or local marketing expenditure obligations under this Agreement.

8.2 Local Marketing

8.2.1 In addition to the ongoing marketing contributions set forth herein and, subject to any allocation of your expenditures for local marketing to a cooperative as described in Article 8.4, you shall spend each month throughout the term of this Agreement an amount equal to 1% of Gross Sales on marketing and promotion of your Shop in your Designated Territory (“Local Marketing”). All Local Marketing must meet our System standards. If your local marketing expenditures in any month or monthly period designated and selected by us do not equal or exceed 1% of your applicable Gross Sales then we may, in our discretion, require that the deficiency be contributed by you to the National Marketing Fund and such contribution shall be in addition to your obligations under Article 8.3 of this Agreement.



8.2.2 Notwithstanding the foregoing, if your Shop participates in a cooperative, as described in Article 8.4 below, any amount you contribute to the cooperative will count toward your Local Marketing requirement; provided, however, that in the event your contribution to the cooperative is less than your Local Marketing requirement, you shall nevertheless spend the difference locally. You shall submit to us, within 30 days of our request, advertising expenditure reports accurately reflecting your Local Marketing expenditures, including verification copies of all marketing and any other information that we require.

8.3 National Marketing Fund

Recognizing the value of uniform marketing, advertising and promotion to the goodwill and public image of the System, you agree that we or our designee shall have the right to establish, maintain and administer a National Marketing Fund (hereinafter referred to as the “Fund”) for such national and regional advertising programs as we may deem necessary or appropriate, in our sole discretion, as follows:

8.3.1 We shall direct all national and regional national marketing programs with sole discretion over the creative concepts, materials, endorsements and media used therein, and the placement and allocation thereof. You understand and acknowledge that the Fund is intended to maximize general public recognition and acceptance of the System and the Marks for the benefit of all Playa Bowls Shops operating under the System, and that we undertake no obligation in administering the Fund to ensure that expenditures from the Fund are proportionate or equivalent to your contributions made for your Shop, or that any particular Shop or franchisee benefits directly or pro rata from the placement of any advertising. You agree that the National Marketing Fund will not be used to directly or indirectly market or promote your Shop or, unless otherwise directed by us, in our discretion, pay for media placements that may benefit or include any media market that includes your Shop Location or Designated Territory. We and our affiliates shall not, with respect to Shops operated by us, be required to contribute to the Fund, but we and our affiliates may do so if we so choose.

8.3.2 You agree that the Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional advertising materials, programs and public relations activities (including, without limitation, the cost of preparing and conducting Digital Media, television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities, for conducting marketing surveys, test marketing, employing advertising agencies to assist therewith, and providing promotional brochures, coupons and other marketing materials to all franchisees of the System). The Fund shall be accounted for separately from our other funds, and shall not be used to defray any of our general operating expenses, except that we have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs such as salaries for our employees who devote time and effort to Fund related activities and overhead expenses) of developing, producing and distributing any advertising materials and collecting the National Marketing Fund Fee (including attorneys’, auditors’ and accountants’ fees and other expenses incurred in connection with collecting any National Marketing Fund Fee).

8.3.3 An unaudited statement of the operations of the Fund shall be prepared annually by our accountants and shall be made available to you, following our annual preparation based on your written request or, as otherwise designated by us (if we elect to confidentially publish the unaudited statement of operations to System franchisees), and subject to our confidentiality requirements. The statement will be available after April 30 each year. The cost of the statement shall be paid by the Fund. We are not required to have any Fund statement audited, but if we choose to have the Fund audited it will be at the Fund’s expense. Except as expressly provided in this Article 8.3, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Fund.



8.3.4 Any monies remaining in the Fund at the end of any year will carry over to the next year. Although the Fund is intended to be of perpetual duration, we may terminate the Fund. The Fund shall not be terminated, however, until all monies in the Fund have been expended for advertising or promotional purposes or returned to contributing Stores or those operated by us, without interest, on the basis of their respective contributions.

8.3.5 If we elect to terminate the Fund, we may, in our sole discretion, reinstate the Fund at any time. If we so choose to reinstate the Fund, said reinstated Fund shall be operated as described herein.

8.4 Cooperative Marketing Funds

At all times we possess the sole and exclusive right to authorize, establish, designate and de-authorize a local or regional marketing cooperative (“Cooperative”) within those markets that we designate, and establish the rules and regulations therefor. Immediately upon our request, you must become a member of the Cooperative for the area in which your Shop is located. In no event may the Shop be required to be a member of more than one Cooperative. The Cooperative must be governed in the manner we prescribe. The Cooperative may require each of its members to make contributions thereto in an amount as agreed upon by the Cooperative members. You shall contribute such amounts at the times and in the manner as determined by majority vote of the Cooperative members. You understand and acknowledge that the members may vote to require members to contribute to the Cooperative an amount that is in excess of their Local Marketing requirement. Any funds contributed to a Cooperative will be credited against your Local Marketing obligation; provided, however, that if your contributions to a Cooperative are less than your Local Marketing requirement, you shall nevertheless spend the difference locally. The following provisions apply to each Cooperative:

8.4.1 the Cooperative must be organized and governed in a form and manner, and commence operation on a date, that we approve in advance in writing;

8.4.2 the Cooperative must be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, standardized promotional materials for the members’ use in local advertising within the Cooperative’s area;

8.4.3 the Cooperative may adopt its own rules and procedures, but such rules or procedures must be approved by us and must not restrict or expand your rights or obligations under this Agreement;

8.4.4 except as otherwise provided in this Agreement, and subject to our approval, any lawful action of the Cooperative (including, without limitation, imposing assessments for local marketing) at a meeting attended by members possessing more than 50% of the total voting power in the Cooperative is binding upon you if approved by members possessing more than 50% of the total voting power possessed by members in attendance, with each Shop having one vote, but no franchisee (or commonly controlled group of franchisees) may have more than 25% of the vote in the Cooperative regardless of the number of Shops owned;

8.4.5 without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials; all such plans and materials must be submitted to us in accordance with the procedure set forth in Article 8.5;

8.4.6 Cooperative may require its members to periodically contribute to it in such amounts as it determines;



8.4.7 no later than the 15th day of each month, each member/franchisee must submit its contribution under Article 8.4.6 for the preceding calendar month to the Cooperative, together with such other statements or reports as we or the Cooperative may require, with our prior written approval; and

8.4.8 if an impasse occurs because of a Cooperative members' inability or failure, within 45 days, to resolve any issue affecting the Cooperative's establishment or effective functioning, upon request of any Cooperative member, that issue must be submitted to us for consideration, and our resolution of such issue is final and binding on all Cooperative members.

8.5 Conduct of Marketing; Our Approval

8.5.1 All marketing and promotion by you in any medium shall be conducted in a professional manner and shall conform to our standards and requirements as set forth in the Manuals or otherwise. You shall obtain our approval of all marketing and promotional plans and materials prior to use if such plans and materials have not been prepared by us or previously approved by us during the 12 months prior to their proposed use. You shall submit such unapproved plans and materials to us not later than 15 days prior to the date you intend to use them. If we do not provide our specific disapproval of the proposed materials, the proposed materials are deemed to be approved. Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials. You shall not advertise or use the Marks in any fashion on the internet, world wide web or via other means of advertising through Digital Media, e-commerce marketing channels, or any other medium without our express written consent.

8.5.2 We reserve the right to require you to include certain language on all marketing to be used locally by you or to be used by a Cooperative, including, but not limited to, "Franchises Available" and reference to our telephone number and/or website.

8.6 Grand Opening Marketing

In addition to the ongoing marketing contributions and expenditures set forth herein, you shall be required to spend not less than \$10,000 on a grand opening marketing campaign to promote the opening of the Shop. The grand opening marketing campaign shall be conducted generally in the initial 90 days following the Shop's opening, or such other period of time as we may designate. All marketing proposed to be used in the grand opening marketing campaign are subject to our review and approval in the manner set forth in this Article 8. Your grand opening marketing campaign must include the giveaways and other promotions as we require. We may require that you use our designated supplier for grand opening marketing and promotion.

8.7 Websites

We alone may establish, maintain, modify or discontinue all Digital Media, internet, world wide web and electronic commerce activities pertaining to the System. We have established one or more websites accessible through one or more uniform resource locators ("URLs") and we may design and provide for the benefit of your Shop a "click through" subpage at our website for the promotion of your Shop. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Shop, you must routinely provide us with updated copy, photographs and news stories about your Shop suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.



Any websites, Digital Media, or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications (“apps”) that we may introduce, may – in addition to advertising and promoting the products, programs or services available at Playa Bowls Shops – also be devoted in part to offering Playa Bowls franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website or Digital Media; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Shop; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “Playa Bowls” name or any names confusingly similar to the Proprietary Marks.

You are not permitted to promote your Shop or use any of the Proprietary Marks in any manner on any Digital Media without our prior written consent. We will control all Digital Media initiatives. You must comply with our System standards regarding the use of Digital Media in your Shop’s operation, including prohibitions on your and the Shop’s employees posting or blogging comments about the Shop or the System, other than as expressly approved by us. We may, at our election, provide access to Digital Media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local Digital Media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your “click through” subpage.

8.8 Advisory Council

We may, in our discretion, form an advisory council to work with us to improve the System, the products offered by Playa Bowls Shops, advertising conducted by the Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council. We may develop by-laws for the governance of any advisory council.

If formed, an advisory council will be comprised of our representatives and franchisee representatives. Franchisee representatives may be selected by us or may be elected by other franchisees in the System. If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings.

ARTICLE 9 **MARKS**

9.1 Use of Marks

We grant you the right to use the Marks during the term of this Agreement in accordance with the System and related standards and specifications.



9.2 Ownership of Marks; Limited License

You expressly understand and acknowledge that:

9.2.1 We are the owner or the licensee of the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them. All references herein to our right, title and interest in the Marks shall be deemed to include the owner's right, title and interest in the Marks.

9.2.2 Neither you nor any Principal shall take any action that would prejudice or interfere with the validity of our rights with respect to the Marks. Nothing in this Agreement shall give you any right, title, or interest in or to any of the Marks or any service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the Shop and only at or from its accepted location or in approved advertising related to the Shop.

9.2.3 You understand and agree that the limited license to use the Marks granted hereby applies only to such Marks as are designated by us, and which are not subsequently designated by us as being withdrawn from use, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Marks.

9.2.4 You understand and agree that any and all goodwill arising from your use of the Marks and the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Marks.

9.2.5 You shall not contest the validity of or our interest in the Marks or assist others to contest the validity of or our interest in the Marks.

9.2.6 You acknowledge that any unauthorized use of the Marks shall constitute an infringement of our rights in the Marks and a material event of default hereunder. You agree that you shall provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all such rights, title and interest in and to the Marks, including all such items as are reasonably requested by us to register, maintain and enforce such rights in the Marks.

9.2.7 If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Mark and/or to adopt or use one or more additional or substitute proprietary marks, then you shall be obligated to comply with any such instruction by us. We shall not have any obligation in such event to reimburse you for your documented expenses of compliance. You waive any other claim arising from or relating to any Mark change, modification or substitution. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

9.3 Limitation on Use of Marks

With respect to your licensed use of the Marks pursuant to this Agreement, you further agree that:



9.3.1 Unless otherwise authorized or required by us, you shall operate and advertise the Shop only under the name “Playa Bowls” without prefix or suffix. You shall not use the Marks as part of your corporate or other legal name and shall obtain our approval of a trade name or “d/b/a” prior to filing it with the applicable state authority.

9.3.2 During the term of this Agreement and any renewal hereof, you shall identify yourself as the independent owner of the Shop in conjunction with any use of the 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 Shop or any delivery vehicle as we may designate in writing.

9.3.3 You shall not use the Marks to incur any obligation or indebtedness on our behalf;

9.3.4 You shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations and shall execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

9.4 Notification of Infringement or Claim

You shall notify us immediately by telephone and thereafter in writing of any apparent infringement of or challenge to your use of any Mark, of any claim by any person of any rights in any Mark, and you and the Principals shall not communicate with any person other than us, our counsel and your counsel in connection with any such infringement, challenge or claim. We shall have complete discretion to take such action as we deem appropriate in connection with the foregoing, and the right to control exclusively, any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain the interests of us or any other interested party in the Marks. We will indemnify you and hold you harmless from and against any and all claims, liabilities, costs, damages and reasonable expenses for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), provided that the conduct of you and the Principals with respect to such proceeding and use of the Marks is in full compliance with the terms of this Agreement.

9.5 Retention of Rights by Us

The right and license of the Marks granted hereunder to you is non-exclusive and we thus have and retain the following rights, among others, subject only to the limitations of Article 1:

9.5.1 To grant other licenses for use of the Marks, in addition to those licenses already granted to existing franchisees;

9.5.2 To develop and establish other systems using the Marks or other names or marks and to grant licenses thereto without providing any rights to you; and

9.5.3 To engage, directly or indirectly, through our employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services, and (b) the use in connection with such production, distribution and sale, of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans,



emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by us.

ARTICLE 10

CONFIDENTIALITY AND NON-COMPETITION COVENANTS

10.1 Confidential Operations Manuals

10.1.1 To protect our reputation and goodwill and to maintain high standards of operation under the Marks, you shall conduct your business in accordance with the Manuals, other written directives which we may reasonably issue to you from time to time whether or not such directives are included in the Manuals, and any other manuals and materials created or approved for use in the operation of the Franchised Business.

10.1.2 You and the Principals shall at all times treat the Manuals, any of our written directives, and any other manuals and materials, and the information contained therein as confidential and shall maintain such information as trade secret and confidential in accordance with this Article 10. You and the Principals shall divulge and make such materials available only to such of your employees as must have access to it in order to operate the Shop. You and the Principals shall not at any time copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above.

10.1.3 The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by us shall at all times remain our sole property, shall at all times be kept in a secure place on the Shop premises, and shall be returned to us immediately upon request or upon termination or expiration of this Agreement.

10.1.4 The Manuals, any written directives, and any other manuals and materials issued by us and any modifications to such materials shall supplement and be deemed part of this Agreement.

10.1.5 We may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Franchised Business. You shall remove and return to us all pages of the Manual that have been replaced or updated by us. You expressly agree to comply with each new or changed standard.

10.1.6 You shall at all times ensure that the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our headquarters shall control.

10.2 Confidential Information

10.2.1 Neither you nor any Principal shall, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, association or corporation and, following the expiration or termination of this Agreement, they shall not use for their own benefit any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to them or of which they may be apprised in connection with the operation of the Shop under the terms of this Agreement. You and the Principals shall divulge such confidential information only to such of your employees as must have access to it in order to operate the Shop. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which we provide to you in connection with this Agreement, including but not limited



to the Manuals, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, recipes, and the terms of this Agreement, shall be deemed confidential for purposes of this Agreement. Neither you nor the Principals shall at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenants in this Article shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Principals.

10.2.2 You shall require and obtain the execution of covenants similar to those set forth in Article 10.2.1 from your General Manager and all other of your personnel who have received or will have access to confidential information. Such covenants shall be substantially in the form set forth in Attachment 4.

10.2.3 If you, the Principals, the General Manager or any of your employees develop any new concept, process, product, recipe, or improvement in the operation or promotion of the Shop, you are required to promptly notify us and provide us with all necessary related information, without compensation. You and the Principals acknowledge that any such concept, process product, recipe, or improvement will become our property, and we may use or disclose such information to other franchisees as we determine to be appropriate.

10.3 Non-Competition

10.3.1 You and the Principals specifically acknowledge that, pursuant to this Agreement, you and the Principals will receive valuable training, trade secrets and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Principals and your managers and employees. You and the Principals acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Shop, and that gaining access to such specialized training, trade secrets and confidential information is, therefore, a primary reason why they are entering into this Agreement. In consideration for such specialized training, trade secrets and confidential information (including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Principals and your managers and employees), you and the Principals covenant that with respect to you, during the term of this Agreement, except as otherwise approved in writing by us, which approval may be withheld or denied in our sole and absolute discretion, neither you nor any of the Principals shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), partnership or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business located within the United States, its territories, states or commonwealths, or any other country, province, state or geographic area in which we have used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Shop, including



a food service business which offers and sells the same or substantially similar food products (a “Competitive Business”) without our prior written consent.

10.3.2 With respect to you and each Principal, and for a continuous uninterrupted period commencing upon the expiration, termination of, or transfer of all of your or any Principals’ interest in, this Agreement and continuing for two years thereafter, except as otherwise approved in our sole and absolute discretion, neither you, nor any of the Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to any Competitive Business, which business is, or is intended to be, located within a 25 mile radius of the location of any Shop in the System.

10.3.3 The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article.

(a) You and the Principals understand and acknowledge that we shall have the right, in our sole and absolute discretion, to reduce the scope of any covenant set forth in this Article 10.3, or any portion thereof, without their consent, effective immediately upon notice to you; and you and the Principals agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Article 19.2 hereof.

(b) You and the Principals expressly agree that the existence of any claims they may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article.

(c) Articles 10.3.1(b) and 10.3.2(b) shall not apply to ownership of less than a 5% beneficial interest in the outstanding equity securities of any publicly held company.

10.3.4 You shall require and obtain execution of covenants similar to those set forth in this Article 10.3 (including covenants applicable upon the termination of a person’s employment with you) from your General Manager and all other of your personnel who have received or will have access to training from us. Such covenants shall be substantially in the form set forth in Attachment 4. Notwithstanding the foregoing, we reserve the right, in our sole discretion, to decrease the period of time or geographic scope of the non-competition covenant set forth in Attachment 4 or eliminate such non-competition covenant altogether for any party that is required to execute such agreement under this Article 10.3.4.



10.4 Failure to Comply

You and the Principals acknowledge that any failure to comply with the requirements of this Article shall constitute a material event of default under Article 17 hereof. You and the Principals acknowledge that a violation of the terms of this Article would result in irreparable injury to us for which no adequate remedy at law may be available, and you and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by you or the Principals in violation of the terms of this Article. You and the Principals agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Article, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Article.

ARTICLE 11 **BOOKS AND RECORDS**

11.1 Books and Records

You shall maintain during the term of this Agreement, and shall preserve for at least three years from the dates of their preparation, full, complete and accurate books, records and accounts, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, records of EFT transactions, and backup or archived records of information maintained on any computer system in accordance with generally accepted accounting principles and in the form and manner prescribed by us from time to time in the Manuals or otherwise in writing.

11.2 Reports

You shall comply with the following reporting obligations:

11.2.1 You shall, at your expense, submit to us, in the form prescribed by us, a report of Gross Sales and a profit and loss statement for each month (which may be unaudited) for you within 10 days after the end of each month during the term hereof. Each such statement shall be signed by your treasurer or chief financial officer or comparable officer attesting that it is true, complete and correct;

11.2.2 You shall, at your expense, provide to us a complete annual financial statement (which shall be reviewed) prepared by an independent certified public accountant by April 15th of each year during the term hereof showing the results of the Shop's operations during the previous calendar year. We reserve the right to require such financial statements to be audited by an independent certified public accountant satisfactory to us at your cost and expense if an inspection discloses an understatement of 2% or more in any report, pursuant to Article 11.3; and

11.2.3 You shall also submit to us, for review or auditing, such other forms, reports, records, information and data as we may reasonably designate, and which pertain to the Franchised Business, in the form and at the times and places reasonably required by us, upon request and as specified from time to time in writing.

11.3 Inspections; Audits

We or our designees shall have the right, during normal business hours, to review, audit, examine and copy any or all of your books and records as we may require at the Shop. You shall make such books and records available to us or our designees immediately upon request. If any required royalty or other



payments due to us are delinquent, or if an inspection should reveal that such payments have been understated in any report to us, then you shall immediately pay to us the amount overdue or understated upon demand with applicable late fees and interest determined in accordance with the provisions of Articles 4.5 and 4.6. If an inspection discloses an underpayment of amounts owed to us or an understatement in any report of Gross Sales of 2% or more, you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). These remedies shall be in addition to any other remedies we may have at law or in equity.

11.4 Correction of Errors

You understand and agree that our receipt or acceptance of any of the statements furnished or royalties paid to us (or the cashing of any royalty checks or processing of any EFTs) shall not preclude us from questioning the correctness thereof at any time and, in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by you and the appropriate payment shall be made by you.

11.5 Authorization of Us

You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Shop. You authorize us to disclose data from your reports, if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

11.6 We are Attorney-in-Fact

You hereby appoint us as your true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by you with any state and/or federal taxing authority pertaining to the Franchised Business. This power of attorney shall survive the expiration or termination of this Agreement.

ARTICLE 12 **INSURANCE**

12.1 You shall procure, before beginning construction of the Shop, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement) at your expense, an insurance policy or policies protecting you and us, our successors and assigns, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Shop.

12.2 Such policy or policies shall be written by a responsible, duly licensed carrier or carriers reasonably acceptable to us and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time), in accordance with standards and specifications set forth in writing, any insurance that you must have according to the terms of the lease for the Accepted Location and as required by applicable law.



12.3 All insurance must be on an “occurrence” basis. You must obtain and provide us with evidence of insurance in at least the minimum amounts and with the coverages as follows: (a) Commercial General Liability insurance on the latest version of ISO form CG 00 01 or its equivalent, with limits not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. There shall be no products liability or completed operations exclusion. There shall be no “Injury to Subcontractor Employee” (or its equivalent) exclusion. The Commercial General Liability policy shall provide coverage to you for the hold harmless and indemnity contained herein; (b) Umbrella or Excess Liability Insurance with limits of \$2,000,000 per occurrence and \$2,000,000 general aggregate; (c) Property Insurance for all of your property for its full Replacement Cost written on a Causes of Loss - Special Form or equivalent type policy. Property Insurance must be maintained with a deductible of not more than \$5,000; (d) Commercial Automobile Liability Insurance, covering any liabilities of you and us with respect to the ownership, maintenance, or use of any auto used in connection with the business, on a form equal to the latest version of ISO form CA 00 01 with a limit at least equal to \$1,000,000 Combined Single Limit; (e) Workers’ Compensation insurance as required by law; (f) Employers’ Liability insurance with limits not less than \$1,000,000 each accident, \$1,000,000 each employee by disease and \$1,000,000 policy limit by disease; (g) Employment Practices Liability Insurance, including third party coverage, with limits not less than \$1,000,000 per claim and aggregate. You shall be endorsed as a Co-Defendant; (h) Data Breach Expense/Cyber Liability Insurance, including first and third party coverage with limits not less than \$1,000,000, and regulatory expense coverage of not less than \$250,000; and (i) all other insurance required by law or that we may reasonably request.

12.4 A current and acceptable Certificate of Insurance must be initially provided at least 10 days before you begin construction of your Playa Bowls Franchise Business. A renewal Certificate of Insurance must be provided no later than 10 days before the expiration date of each policy. Each required policy of liability insurance must name Playa Bowls, LLC, Playa Bowls IP LLC and Playa Bowls Franchisor LLC as Additional Insureds by use of ISO endorsement CG 20 29 04 13 (Additional Insured- Grantor of Franchise). The coverage afforded to the Additional Insureds shall be written on a primary basis, and shall not require or contemplate contribution by any other policy or policies obtained by, or available to, any Additional Insured, and any other such coverage shall be excess over the coverage to be provided by you. Each required property insurance policy shall name Playa Bowls, LLC, Playa Bowls IP LLC and Playa Bowls Franchisor LLC as loss payee as its interests may appear. We reserve the right to request a complete copy of your insurance policies for the purpose of verifying the required coverages. All contractors and vendors used by you must comply with these insurance requirements and it is your responsibility to monitor any such insurance. Your insurance policies shall include a Waiver of Subrogation in favor of Playa Bowls. All policies shall be written with insurance companies authorized to do business by the state where you will operate your Shop and rated by A.M. Best Company at least A minus (policy holders rating) and VII (financial rating). If you or any of your vendors or contractors utilize a surplus lines insurance company (non-admitted carrier), Playa Bowls shall be provided with a complete copy of the policies, in addition to the Certificate of Insurance. All policies shall be endorsed to require at least 30 days advance notice of cancellation, non-renewal, or reduction in coverage (or 10 days advance notice in the case of non-payment of premium), certified mail, to us. You shall also purchase any insurance that we may require in the future.

12.5 All insurance policies, except for worker’s compensation, shall name us, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds. Also, all insurance policies required hereunder shall expressly provide that not less than 30 days’ prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies. You must provide us with a certificate of insurance showing that you have obtained the required policies before construction of your Shop begins and upon each policy’s renewal.



12.6 Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges shall be payable by you immediately upon notice together with a 20% administrative fee. The foregoing remedies shall be in addition to any other remedies we may have at law or in equity.

12.7 Upon written request by us, you shall procure from your insurance carrier or carriers a report of claims made and reserves set against your insurance policies.

12.8 We reserve the right to modify the types of insurance coverages and amounts of coverage that you are required to maintain for the Shop, and you agree to comply with any such changes, at your expense.

ARTICLE 13 **DEBTS AND TAXES**

13.1 Taxes

You shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Franchised Business under this Agreement. Without limiting the provisions of Article 15, you shall be solely liable for the payment of all Taxes and shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether such Taxes were correctly or legally asserted or not. You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within 10 business days after such filing has been made with the appropriate taxing authority.

The term “Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Franchised Business, the payment of monies, taxes imposed on the Royalty Fees paid to us, or the exercise of rights granted pursuant to this Agreement, whether imposed upon you or us.

13.2 Payments to Us

Each payment to be made to us hereunder shall be made free and clear and without deduction for any Taxes.

13.3 Tax Disputes

In the event of any 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 the procedures of the taxing authority or applicable law. However, in no event shall 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.

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13.4 Compliance with Laws

You shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, fire clearances, health permits, certificates of occupancy and any permits, certificates or licenses required by any environmental law, rule or regulation.

13.5 Notification of Action or Proceeding

You shall notify and deliver to us, in writing within five days of 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, which may adversely affect the operation or financial condition of the Franchised Business.

ARTICLE 14 **TRANSFER OF INTEREST**

14.1 Transfer by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations. Additionally, any transfer by us shall not reduce or alter your rights or in any way increase your obligations under this Agreement.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of “Playa Bowls Franchisor LLC” as Franchisor. Nothing contained in this Agreement shall require us to remain in the shop business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

14.2 Transfer by You

14.2.1 You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of you and the Principals. Accordingly, neither you nor any Principal shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in you, in this Agreement, in the Shop and/or any of the Shop’s material assets (other than in connection with replacing, upgrading or otherwise dealing with such assets as required or permitted by this Agreement), without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material event of default under this Agreement.



14.2.2 If you wish to transfer all or part of your interest in the Shop, any of the Shop's material assets (except as provided in Article 14.2.1 above) or this Agreement, or if you or a Principal wishes to transfer or permit a transfer of any ownership interest in you, then in each such case (any or all of which are referred to in this Article 14 as a "Restricted Transfer"), transferor and the proposed transferee shall apply to us for our consent. We shall not unreasonably withhold our consent to a Restricted Transfer. We may, in our sole discretion, require any or all of the following as conditions of our approval:

(a) All of the accrued monetary obligations of you or any of your affiliates and all other outstanding obligations to us arising under this Agreement or any other agreement shall have been satisfied in a timely manner and you shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(b) You and your affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or any of your affiliates and us or any of our affiliates at the time of transaction;

(c) The transferor and its principals (if applicable) shall have executed a general release, in a form reasonably satisfactory to us, of any and all claims against us, our officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations;

(d) The transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective franchisee's application for a franchise, including, but not limited to, our educational, managerial and business standards; transferee's good moral character, business reputation and credit rating; transferee's aptitude and ability to conduct the business franchised herein (as may be evidenced by prior related business experience or otherwise); transferee's financial resources and capital for operation of the business; and the geographic proximity and number of other Shops owned or operated by transferee;

(e) The transferee shall enter into a written agreement, in a form reasonably satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Agreement; and, if transferee is a corporation or a partnership, transferee's shareholders, partners or other investors, as applicable, shall execute such agreement as transferee's principals and guarantee the performance of all such obligations, covenants and agreements;

(f) The transferee shall execute, for a term ending on the expiration date of this Agreement and with such renewal terms as may be provided by this Agreement, the standard form Franchise Agreement then being offered to new System franchisees and other ancillary agreements as we may require for the Shop, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, the then current Royalty Fee and National Marketing Fund Fee; provided, however, that the transferee shall not be required to pay any initial franchise fee;

(g) The transferee, at its expense, shall renovate, modernize and otherwise upgrade the Shop and, if applicable, any delivery vehicles to conform to the then current standards and specifications of the System, and shall complete the upgrading and other requirements which conform to the System-wide standards within the time period reasonably specified by us;



(h) The transferor shall remain liable for all of the obligations to us in connection with the Shop incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

(i) At the transferee's expense, the transferee, the transferee's General Manager and/or any other applicable Shop personnel shall complete any training programs then in effect for franchisees of Shops upon such terms and conditions as we may reasonably require;

(j) You shall pay to us a transfer fee equal to \$10,000 to reimburse us for reviewing the application to transfer, including, without limitation, training expenses, legal and accounting fees;

(k) If the transferee is a corporation, limited liability company or a partnership, the transferee shall make and will be bound by any or all of the representations, warranties and covenants set forth at Article 6 as we request. Transferee shall provide to us evidence satisfactory to us that the terms of such Article have been satisfied and are true and correct on the date of transfer.

14.2.3 You shall not grant a security interest in the Shop or in any of your assets without our prior written consent, which shall not be unreasonably withheld. In connection therewith, the secured party will be required by us to agree that in the event of any default by you under any documents related to the security interest, we shall have the right and option to be substituted as obligor to the secured party and to cure any default of yours.

14.2.4 You acknowledge and agree that each condition which must be met by the transferee is reasonable and necessary to assure such transferee's full performance of the obligations hereunder.

14.3 Transfer to a Corporation or Limited Liability Company

In the event you desire to operate the Franchised Business through a corporation or limited liability company formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements set forth at Article 14.2.2, except that the requirements set forth at Articles 14.2.2(c), 14.2.2(d), 14.2.2(f), 14.2.2(g), 14.2.2(i), 14.2.2(j) and 14.2.2(k) shall not apply. With respect to a transfer to a corporation formed for the convenience of ownership, you shall be the owner of all of the voting stock or interest of the corporation and if you are more than 1 individual, each individual shall have the same proportionate ownership interest in the entity as he had in you prior to the transfer.

Additionally, the following conditions shall apply: (i) ownership of the corporation or limited liability company shall remain with the original Principal(s) of this Agreement; (ii) the Principals shall remain personally liable for the performance of all obligations under this Agreement and are not released from any obligations to us; (iii) the newly formed corporation or limited liability company shall conduct no business other than the Franchised Business; and (iv) copies of your articles of incorporation, bylaws, operating agreement, other governing documents, any amendments thereto, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by us shall be furnished to us prior to addition of your corporation or limited liability company as a "franchisee" under this Agreement. A transfer under this Article 14.3 may occur one time only.



14.4 Our Right to Purchase Business

14.4.1 If you wish to transfer all or part of your interest in the Shop or this Agreement or if you or a Principal wishes to transfer any ownership interest in you, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify us in writing of each such offer and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within 30 days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) 60 days from the date of notice to the seller of the election to purchase by us, (ii) 60 days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Article 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article 14, with respect to a proposed transfer.

(a) In the case of a Restricted Transfer involving a bona fide purchase offer, then such proposed seller shall promptly notify us in writing of each such offer and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within 30 days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the interest proposed to be transferred in the Restricted Transfer on the same terms and conditions offered by the proposed purchaser (the "Offer Terms"). In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) 60 days from the date of notice to the seller of the election to purchase by us, (ii) 60 days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Article 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article 14 with respect to a proposed transfer.

(b) Notwithstanding the provisions of Article 14.4.1(a) above, where the Restricted Transfer (alone or together with any other Restricted Transfer or event effected within the prior 24 month period) results in a "Change of Control", we may elect, in our sole discretion, to treat the notice given pursuant to such Article 14.4.1(a) as an offer to assign to us all of your rights under this Agreement and to the Shop (including lease and contract rights and other assets of you and your affiliates used in connection with the Shop, excluding the assets of your benefit plans) (collectively, the "Shop Interests"). As used in this Article 14.4.1(b), Change of Control means any circumstance resulting in one or more of your Principals ceasing to be a Principal and/or the addition of any new Principal. In such case, we shall notify you of the special election provided for in this Article 14.4.1(b) at the time we exercise our option as provided in Article 14.4.1(a). The terms of such purchase shall be the same as the Offer Terms (subject to the other provisions of this Article 14.4), but the price shall be the lesser of (1) the Implied Market Price or (2) the fair market value of the Shop Interests, determined in a manner consistent with Article 18.12.1. As used herein, "Implied Market Price" shall mean an amount equal to the total price to be paid by the transferee under the Offer Terms, divided by the percentage (expressed as a decimal) of ownership of you proposed to be acquired (directly or indirectly) by the transferee, less the fair market value (determined as provided in Article 18.12.1) of any assets included in the Restricted Transfer that are not related to the



Shop. If you have more than one Shop, then the Implied Market Price shall, unless otherwise agreed by us and you, be allocated among all Shops equally.

(c) We may assign our rights under this Article 14.4 to any other person or entity, subject to Article 14.1 above.

(d) It shall be a material obligation of yours under this Agreement to cause any transferor and transferee described in this Article 14 to perform all of the obligations imposed on such persons under this Article 14.

14.4.2 In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the Offer Terms, then such amount shall be determined by two appraisers, with each party selecting one appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs, and each shall pay ½ of the appraisal fees. In the event that we exercise our right of first refusal herein provided, we shall have the right to set off against any payment therefor (i) all fees for any such independent appraiser due from you hereunder and (ii) all amounts due from you to us.

14.4.3 Failure to comply with the provisions of this Article prior to the transfer of any interest in you, the Shop or this Agreement shall constitute a material event of default under this Agreement.

14.5 Death or Disability

14.5.1 Upon your death (if you are a natural person) or upon the death of any Principal who has an interest in this Agreement, the Shop or you (the “Deceased”), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within 12 months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within 12 months after the death of the Deceased.

14.5.2 Upon your permanent disability (if you are a natural person) or upon the permanent disability of any Principal who has an interest in this Agreement, the Shop or you, we may, in our reasonable discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 14 within six months after notice to you. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least 90 consecutive days and from which condition recovery within 90 days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Article 14.5. The costs of any examination required by this Article shall be paid by us.

14.5.3 Upon the death or claim of permanent disability of you or any Principal, you or a representative of yours must notify us of such death or claim of permanent disability within 10 days of its occurrence. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as described in this Article for any *inter vivos* transfer. If an interest is not transferred upon death



or permanent disability as required in this Article, then such failure shall constitute a material event of default under this Agreement.

14.5.4 In order to prevent any interruption of the Shop operations which would cause harm to the Shop, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Shop to our required standards, operate the Shop for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Shop during such period of operation by us shall be kept in a separate account, and the expenses of the Shop, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Shop franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

14.6 No Waiver of Claims

Our consent to a transfer of any interest described herein shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand material and full compliance with any of the terms of this Agreement by the transferee.

14.7 Transfer Between Owners

If you or any Principal desires to transfer their interest, whether to another Principal or to a new Principal, then you shall promptly submit to us a request for our approval of such proposed transfer in writing and shall provide such information relative thereto as we may reasonably request prior to such transfer. Such transferee may not be a competitor of ours. Such transferee will be your Principal and as such agrees to be individually bound by certain obligations in this Agreement, including covenants concerning confidentiality and non-competition and agrees to personally guarantee your performance under this Agreement. Notwithstanding the provisions contained in Article 14.2 to the contrary, the Principals may freely transfer their ownership interests in you among themselves, and provided management control does not change, to their family members (or to trusts for the benefit of such family members), and our right of first refusal shall be inapplicable with respect to such transfers, provided you provide us with 30 days prior written notice of such transfer, which notice shall include the names and percentages transferred. You shall complete and submit to us an updated Attachment 3, as necessary.

ARTICLE 15 **INDEMNIFICATION**

15.1 Indemnification by You

You and each of the Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us, our successors and assigns, their respective partners and affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them (“Indemnitees”), from all “losses and expenses” (as defined in Article 15.4 below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:



15.1.1 The infringement, alleged infringement, or any other violation or alleged violation by you or any of the Principals of any patent, trademark or copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights or other proprietary information granted hereunder pursuant to Article 10), including, but not limited to, the unauthorized use of any image, likeness or recording of a public figure;

15.1.2 The violation, breach or asserted violation or breach by you or any of the Principals of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

15.1.3 Libel, slander or any other form of defamation of us, the System or any franchisee operating under the System, by you or by any of the Principals;

15.1.4 The violation or breach by you or by any of the Principals of any warranty, representation, agreement or obligation in this Agreement or in any other agreement between you or any of your affiliates and us and our Indemnitees; and

15.1.5 Acts, errors, or omissions of you, any of your affiliates and any of the Principals and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates in connection with the establishment and operation of the Shop, including, but not limited to, any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle. The parties understand and agree that we cannot and do not exercise control over the manner of operation of any motor vehicles used by, or on behalf of, you or any employee, agent or independent contractor of yours and that the safe operation of any motor vehicle is, therefore, entirely your responsibility.

15.2 Notification of Action or Claim

You and each of the Principals agree to give us prompt notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of you and each of the Principals, we may elect to assume (but under no circumstance are we obligated to undertake) or appoint associate counsel of our own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish the obligation of you and each of the Principals to indemnify the Indemnitees and to hold them harmless.

15.3 We May Settle

In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we in our reasonable judgment deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our reasonable judgment, there are reasonable grounds to believe that:

15.3.1 any of the acts or circumstances enumerated in Article 15.1.1 through 15.1.4 above have occurred; or

15.3.2 any act, error, or omission as described in Article 15.1.5 may result directly or indirectly in damage, injury, or harm to the System, any person or any property.

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15.4 Losses and Expenses

All losses and expenses incurred under this Article 15 shall be chargeable to and paid by you or any of the Principals pursuant to your obligations of indemnity under this Article, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity, or defense.

As used in this Article 15, the phrase “losses and expenses” shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys’ fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

15.5 Indemnitees Do Not Assume Liability

The Indemnitees do not hereby assume any liability whatsoever for acts, errors, or omissions of any third party with whom you, any of the Principals, your affiliates or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you or your affiliates may contract, regardless of the purpose. You and each of the Principals shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors or omissions of you, the Principals, your affiliates, the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates and any such other third parties without limitation and without regard to the cause or causes thereof or the negligence of us or any other party or parties arising in connection therewith and whether such negligence be sole, joint or concurrent, or active or passive.

15.6 Recovery from Third Parties

Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you or any of the Principals. You and each of the Principals agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from you or any of the Principals by the Indemnitees.

15.7 Survival of Terms

You and the Principals expressly agree that the terms of this Article 15 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

ARTICLE 16 **RELATIONSHIP OF THE PARTIES**

16.1 No Fiduciary Relationship

The parties acknowledge and agree that you shall be an independent contractor and this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. You understand and agree that you are and will be an independent contractor under this Agreement. Nothing in this Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Your employees are



not our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, shall be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or terminate the employment of your employees. You expressly agree, and will never claim otherwise, that our authority under this Agreement to determine that certain of your employees are qualified to perform certain tasks for your Shop does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

You agree that you alone are to exercise day-to-day control over all operations, activities and elements of your Shop, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Shop.

16.2 Independent Contractor

During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your Shop operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Shop premises established for the purposes hereunder or on any delivery vehicle and on all letterhead, business cards, forms, and as further described in the Manual. We reserve the right to specify in writing the content and form of such notice.

You acknowledge and agree that any training we provide for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Playa Bowls Shop and in no fashion reflects any employment relationship between us and such employees. If it is ever asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, appearing at any venue requested by us to testify on our behalf; participating in depositions or other appearances; or preparing affidavits rejecting any assertion that we are the employer, joint employer or co-employer of any of your employees.

16.3 Sole and Exclusive Employer of Your Employees

You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employee employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under your exclusive dominion and control and never under our direct or indirect control in any fashion whatsoever. You alone hire each of your employees; set their schedules; establish their compensation rates; and pay all salaries, benefits and employment-related liabilities (such as workers' compensation insurance premiums/payroll taxes/Social Security contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, and you acknowledge that we have no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that the Franchised Business is at all times staffed at those levels necessary to operate the Franchised Business in conformity with the System and the products, services, standards of quality and efficiency, and other Playa Bowls brand attributes known to and desired by the consuming



public and associated with the Proprietary Marks. You affirm, warrant and understand that you may staff the Franchised Business with as many employees as you desire at any time so long as our minimal staffing levels are achieved. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist you to efficiently operate your Franchised Business, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Playa Bowls Shop and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting yourself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

16.4 You are Not Authorized

You understand and agree that nothing in this Agreement authorizes you or any of the Principals to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name or the Marks, and that we shall in no event assume liability for or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Principals or any claim or judgment arising therefrom.

ARTICLE 17 **TERMINATION**

17.1 Automatic Termination – No Right to Cure

17.1.1 You acknowledge and agree that each of your obligations described in this Agreement is a material and essential obligation of yours; that non-performance of such obligations will adversely and substantially affect us and the System; and that our exercise of the rights and remedies set forth herein is appropriate and reasonable.

17.1.2 You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against



you and not dismissed within 30 days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

17.1.3 You shall be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, upon the occurrence of any of the following events:

(a) If you operate the Shop or sell any products or services authorized by us for sale at the Shop at a location which has not been approved by us;

(b) If you fail to acquire an Accepted Location for the Shop within the time and in the manner specified in Article 2;

(c) If you fail to construct or remodel the Shop in accordance with the plans and specifications provided to you under Article 5.3 as such plans may be adapted with our approval in accordance with Article 2.5;

(d) If you fail to open the Shop for business within the period specified in Article 2.6 hereof;

(e) If you at any time cease to operate or otherwise abandon the Shop (you will be deemed to have abandoned the Shop if you do not operate it for three consecutive days, unless the closure is due to circumstances beyond your control or we have consented to such closure), or lose the right to possession of the premises (including, without limitation, if the lease or any other agreement by which you have the right to possess the premises is terminated), or otherwise forfeit the right to do or transact business in the jurisdiction where the Shop is located; provided, however, that this provision shall not apply in cases of Force Majeure (acts of God, strikes, lockouts or other industrial disturbances, war, riot, epidemic, acts of terrorism, fire or other catastrophe or other forces beyond your control; provided, however, that Force Majeure shall not include your lack of financing), if through no fault of yours the premises are damaged or destroyed by an event as described above, provided that you apply within 30 days after such event for our approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld) and you diligently pursue such reconstruction or relocation; such approval may be conditioned upon the payment of our relocation fee;

(f) If you or any of the Principals are convicted of, or have entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or other crime that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

(g) If a threat or danger to public health or safety results from the construction, maintenance or operation of the Shop;

(h) If you or any of the Principals purport to transfer any rights or obligations under this Agreement or any interest in you or the Shop to any third party without our prior written consent or without offering us a right of first refusal with respect to such transfer, contrary to the terms of Article 14 of this Agreement;

(i) If you or any of your affiliates fail, refuse, or neglect promptly to pay any monies owing to us, or any of our affiliates or vendors, when due under this Agreement or any other



agreement, or to submit the financial or other information required by us under this Agreement and do not cure such default within five days following notice from us (or such other cure period specified in such other agreement, unless no cure period is stated or such period is less than five days, in which case the five day cure period shall apply);

(j) If you or any of the Principals fail to comply with the in-term covenants in Article 10.3 hereof or you fail to obtain execution of the covenants and related agreements required under Article 10.3.4 hereof within 30 days following notice from us;

(k) If, contrary to the terms of Article 10.2.1 hereof, you or any of the Principals disclose or divulge any confidential information provided to you or the Principals by us, or fail to obtain execution of covenants and related agreements required under Article 10.2.2 hereof within 30 days following notice from us;

(l) If a transfer upon death or permanent disability is not transferred in accordance with Article 14 and within the time periods therein;

(m) If you knowingly maintain false books or records, or submit any false reports to us;

(n) If you breach in any material respect any of the covenants in any material respect set forth in Article 6 or have falsely made any of the representations or warranties set forth in Article 6;

(o) If you fail to propose a qualified replacement or successor General Manager within the time required under Article 6.3.4 following 10 days prior written notice;

(p) If you fail to procure and maintain the insurance policies required by Article 12 and you fail to cure such default within 10 days following notice from us;

(q) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein; provided that, notwithstanding the above, you shall be entitled to notice of such event of default and shall have 24 hours to cure such default;

(r) If you or any of the Principals commit three material events of default under this Agreement within any 12 month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;

(s) If any of your managers is not able to complete our initial training program to our satisfaction, after having given you the opportunity to designate a replacement manager;

(t) If you fail to comply with all applicable laws and ordinances relating to the Shop, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

(u) Any license or permit you are required to maintain for the operation of the Shop is revoked.



17.2 Notice of Termination – 30 Days to Cure

Except as provided in Articles 17.1.2 and 17.1.3 of this Agreement, upon any default by you which is susceptible of being cured, we may terminate this Agreement by giving written notice of termination stating the nature of such default to you at least 30 days prior to the effective date of termination. However, you may avoid termination by immediately initiating a remedy to cure such default and curing it to our reasonable or making a bona fide attempt to cure to our reasonable satisfaction within the 30 day period and by promptly providing proof thereof to us. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the 30 day period or such longer period as applicable law may require. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following illustrative events:

17.2.1 If you fail to comply with any of the requirements imposed by this Agreement, as it may from time to time be amended or reasonably be supplemented by us or fail to carry out the terms of this Agreement in good faith.

17.2.2 If you fail to maintain or observe any of the standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing, including failure to operate the Shop during the days and hours as we specify from time to time.

17.2.3 If you fail, refuse, or neglect to obtain our prior written approval or consent as required by this Agreement.

17.2.4 If any license or permit you are required to maintain for the operation of the Shop is suspended.

17.3 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

17.4 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 17, we have the right to suspend our performance of any of our



obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your “click though” subpage on our website, until such time as you correct the breach.

17.5 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute “good cause” for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

17.6 Reimbursement of Costs

You shall reimburse us for all costs and expenses, including but not limited to attorney’s fees, incurred by us as a result of your default, including costs in connection with collection of any amounts owed to us and/or enforcement of our rights under this Agreement.

ARTICLE 18 **POST-TERMINATION**

Upon termination or expiration of this Agreement, all rights granted hereunder to you shall forthwith terminate, and:

18.1 Cease Operations

You shall immediately cease to operate the Shop under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of ours.

18.2 Stop Using the System

You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, computer software, procedures, and techniques associated with the System; the mark “Playa Bowls”; and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, you shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms and any other articles which display the Marks, and shall immediately change all paint colors, remove all of our proprietary or non-proprietary design items.

18.3 Cancellation of Assumed Names

You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark “Playa Bowls” or any other service mark or trademark of ours, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five days after termination or expiration of this Agreement.



18.4 No Use of Similar Marks

You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the 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 Marks, and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

18.5 Payment of Sums Owed

You and your Principals shall promptly pay all sums owing to us. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by you and on the premises operated hereunder at the time of default.

18.6 Payment of Damages, Costs and Expenses

You and the Principals shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us in connection with obtaining any remedy available to us for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Article 18.

18.7 Delivery of Manuals and Materials

You shall immediately deliver to us all Manuals, software licensed by us (if any), records, files, instructions, correspondence, all materials related to operating the Shop, including, without limitation, agreements, invoices, and any and all other materials relating to the operation of the Shop in your possession or control, and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

18.8 Confidential Information

You and the Principals shall comply with the restrictions on confidential information contained in Article 10 of this Agreement and shall also comply with the non-competition covenants contained in Article 10. Any other person required to execute similar covenants pursuant to Article 10 shall also comply with such covenants.

18.9 Marketing and Promotional Materials

You shall also immediately furnish us with an itemized list of all marketing and sales promotion materials bearing the Marks or any of our distinctive markings, designs, labels, or other marks thereon, whether located on your premises or under your control at any other location. We shall have the right to inspect these materials. We shall have the option, exercisable within 30 days after such inspection, to purchase any or all of the materials at your cost, or to require you to destroy and properly dispose of such materials. Materials not purchased by us shall not be utilized by you or any other party for any purpose unless authorized in writing by us.



18.10 Signage

Upon execution of this Agreement, in partial consideration of the rights granted hereunder, you acknowledge and agree that all right, title and interest in the signs used at the Shop are hereby assigned to us, and that upon termination or expiration of this Agreement, neither you nor any lien holder of yours shall have any further interest therein.

18.11 Assignment of Lease

If you operate the Shop under a lease for the Shop premises with a third party or, with respect to any lease for equipment used in the operation of the Franchised Business, then you shall, at our option, assign to us any interest which we have in any lease or sublease for the premises of the Shop or any equipment related thereto. We may exercise such option at or within 30 days after either termination or (subject to any existing right to renew) expiration of this Agreement. In the event we do not elect to exercise our option to acquire the lease or sublease for the Shop premises or do not have such option, you shall make such modifications or alterations to the Shop premises as are necessary to distinguish the appearance of the Shop from that of other Shops operating under the System and shall make such specific additional changes as we may reasonably request. If you fail or refuse to comply with the requirements of this Article 18.11, we shall have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other crime or tort, to make or cause to be made such changes as may be required, at your expense, which expense you agree to pay upon demand. Notwithstanding the provisions of this Article 18.11 to the contrary, in the event the lease is assigned to us, we hereby indemnify and hold harmless you and any guarantors under said lease, for any breach by us or our successors or assigns from any liability arising out of the lease for the Shop premises from and after the date of the assignment of lease.

18.12 Our Right to Purchase

18.12.1 Except as provided in Articles 18.9, 18.10 and 18.13, we shall have the option, to be exercised within 30 days after termination or expiration of this Agreement, to purchase from you any or all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Shop, at fair market value. If we exercise our right to purchase all or a portion of your assets, we shall be purchasing such assets only and shall be assuming no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within 30 days of our exercise of this option, fair market value shall be determined by two appraisers, with each party selecting one appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs, and each shall pay ½ of the appraisal fees. If we elect to exercise any option to purchase herein provided, we shall have the right to set off (i) all fees for any such independent appraiser due from you, (ii) all amounts due from you to us and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash.

18.12.2 In addition to the options described above and if you own the Shop premises, then we shall have the option, to be exercised at or within 30 days after termination or expiration of this Agreement, to purchase the Shop premises including any building thereon, if applicable, for the fair market value of the land and building, and any or all of the furnishings, equipment, signs, fixtures, vehicles, supplies and inventory therein at fair market value. We shall purchase assets only and shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If you do not own the land on which the Shop is operated, and we exercise our option for an assignment of the lease, we may exercise this option for the purpose of purchasing the building if owned by you and related assets as described above. If



the parties cannot agree on fair market value within 30 days of our exercise of this option, fair market value shall be determined in accordance with appraisal procedure described above.

18.12.3 With respect to the options described in Articles 18.11, 18.12.1 and 18.12.2, you shall deliver to us in a form satisfactory to us, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which we deem necessary in order to perfect our title and possession in and to the properties being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, you have not obtained all of these certificates and other documents, we may, in our sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.12.4 The time for closing of the purchase and sale of the properties described in Articles 18.12.1 and 18.12.2 shall be a date not later than 30 days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date. The time for closing on the assignment of the lease described in Article 18.11 shall be a date no later than 10 days after our exercise of the option thereunder unless we are exercising our options under either Article 18.12.1 or 18.12.2, in which case the date of the closing shall be on the same closing date prescribed for such option. Closing shall take place at our corporate offices or at such other location as the parties may agree.

18.13 Shop Assets

Notwithstanding anything to the contrary contained in Articles 18.11 and 18.12, if you operate the Shop from a premises that is subleased to you by us, upon termination (or expiration without renewal) of this Agreement, we shall have the right to take immediate possession of the assets of the Shop, including, any or all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Shop. We shall have a lien against all such assets in the amount of any amounts due to us under this Agreement or any other agreement. We shall have the right to have such assets appraised at the lower of cost or fair market value of the used assets, and to acquire all right, title and interest to such assets, without conducting any public sale, by paying to you (or to any lender of yours who has a lienholder interest in the assets) the difference between the appraised value and the amounts owed to us by you at the time of termination. If the lien on the assets from your lender has priority over any lien of ours, and the amount of the lien is in excess of the appraised value of such assets, we shall have the right to deal directly with your lienholder, and to pay any amounts due to you directly to the lienholder. You agree to provide all further assurances, and to execute all documents required by us or by law to lawfully effect such transfer, and to perfect our security interest. We shall have the right to take such action without the execution of any further documents by you if you fail or refuse to comply with these further assurances.

18.14 Assignment of Options by Us

We shall be entitled to assign any and all of our options in this Article to any other party, without your consent.

18.15 Telephone Numbers, Internet Pages Listings, etc.

You, at our option, shall assign to us all rights to the telephone numbers of the Shop and any related internet pages trademark listing or other business listings and execute all forms and documents required by us and any telephone company at any time to transfer such service and numbers to us. Further, you shall assign to us all internet listings, domain names, internet accounts, advertising on the internet or world wide



web, websites, listings with search engines, email addresses or any other similar listing or usage related to the Franchised Business. The forms we may require you to execute include, but are not limited to, those included in Attachment 6 hereto. Notwithstanding any forms and documents which may have been executed under Article 7.9, you hereby appoint us as your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. You shall thereafter use different telephone numbers, email addresses or other listings or usages at or in connection with any subsequent business conducted by you.

18.16 Liquidated Damages

If we terminate this Agreement with cause, you agree to pay to us, within 15 days after the effective date of termination, liquidated damages equal to the average value of the Royalty Fees you paid or owed (per month) to us during the 12 months before the termination multiplied by (i) 24, being the number of months in two full years, or (ii) the number of months remaining during the term of this Agreement, whichever is lower.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

18.17 Errors and Omissions

You must obtain and maintain in effect all coverage for the professional liability or errors and omissions insurance and general employment practices liability insurance required by this Agreement, to extend the period in which claims may be made for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located.

ARTICLE 19 **MISCELLANEOUS**

19.1 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by facsimile or email (provided that the sender confirms the facsimile or email by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission) to the respective parties at the addresses in the introductory paragraph hereof, unless and until a different address has been designated by written notice to the other party.



Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile and/or email, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three business days after the date and time of mailing.

19.2 Entire Agreement

This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between us and you and the Principals concerning the subject matter hereof and shall supersede all prior related agreements between us and you and the Principals; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

19.3 No Waiver

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 the Principals under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or the Principals, or as to a subsequent breach or default by you or the Principals. Acceptance by us of any payments due to us hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by us of any preceding breach by you or the Principals of any terms, provisions, covenants or conditions of this Agreement.

19.4 Our Prior Approval

Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us, and such approval or consent shall be obtained in writing.

19.5 No Warranty or Guaranty

We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

19.6 Continued Obligation to Pay Sums

If a Force Majeure event shall occur, then, in addition to payments required under Article 17.1.3(e), you shall continue to be obligated to pay to us any and all amounts that you shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of any Force Majeure event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Article 15. Except as provided in Article 17.1.3(e) and the immediately preceding sentence herein, none of the parties hereto shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure. Upon the occurrence of any event of the type referred to herein, the party affected thereby shall give prompt notice thereof to the other parties, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected thereby and a plan for resuming operation under the



Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused.

19.7 Arbitration

Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration within the county where we maintain our headquarters under the authority of such state's statutes (the "Statutes"). The arbitrator(s) will have a minimum of five years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Statutes. To the extent such rules are not inconsistent with the provisions of this arbitration provision or the Statutes, the proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association. The decision of the arbitrator(s) will be final and binding on all parties. This Article will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.8 Venue; Governing Law

With respect to any claims, controversies or disputes which are not finally resolved through negotiation or arbitration, or as otherwise provided above, you and the Principals hereby irrevocably submit themselves to the jurisdiction of the state courts and the Federal District Court nearest to our headquarters. You and the Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and the Principals hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by New Jersey or federal law. You and the Principals further agree that venue for any proceeding relating to or arising out of this Agreement shall be the county and state where we maintain our headquarters; provided, however, with respect to any action (i) for monies owed, (ii) for injunctive or other extraordinary relief or (iii) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under the law of the state where we maintain our headquarters.

19.9 Agreement Regarding Governing Law and Choice of Forum

You, the Principals and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Articles 19.7 and 19.8 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, the Principals and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.



19.10 Waiver of Punitive Damages; Waiver of Jury Trial

You, the Principals and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of you and us, or your operation of the Shop, brought by either party hereto against the other, whether in arbitration, or a legal action, shall be commenced within two years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

19.11 Execution in Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

19.12 Captions

The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

19.13 Survival of Terms

Any obligation of you or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of you or the Principals therein, shall be deemed to survive such termination, expiration or transfer.

19.14 Severability of Provisions

Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision 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, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.



19.15 Joint and Several Obligations

All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals.

19.16 Rights and Remedies Cumulative

All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your affiliates and us. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Article 17 of this Agreement shall not discharge or release you or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

19.17 References

Each reference in this Agreement to a corporation or partnership shall be deemed to also refer to a limited liability company and any other entity or organization similar thereto. Each reference to the organizational documents, equity owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors, and officers, as applicable, in the case of a limited liability company or any other entity or organization similar thereto.

19.18 No Rights or Remedies Except to the Parties

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, members and employees and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Article 14), any rights or remedies under or as a result of this Agreement.

19.19 Effectiveness of Agreement

This Agreement shall not become effective until signed by an authorized officer of ours.

19.20 Modification of the System

You understand and agree that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs,



services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying, or substituting other words or designs for, the Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. You expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

19.21 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

19.22 Step-In Rights

If we determine in our sole judgment that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your business; or we determine that operational problems require that we operate your business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern.

We shall keep in a separate account all monies generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for our representatives. In



the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Additionally, in the event we temporarily operate the Shop franchised herein on your behalf, you agree to pay to us the then current fee for the management and maintenance of the Shop in your absence. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

19.23 Costs and Legal Fees

If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

ARTICLE 20 **SECURITY INTERESTS**

20.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Shop, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Shop. All items in which a security interest is granted are referred to as the "Collateral".

20.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

20.2.1 All amounts due under this Agreement or otherwise by you;

20.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

20.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

20.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.



Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Shop, including, but not limited to, a real property mortgage and equipment leases.

20.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

20.4 Possession of Collateral

Upon default and termination of YOUR rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

20.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of New Jersey (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

20.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE 21 **TECHNOLOGY**

21.1 Computer Systems and Software

The following terms and conditions shall apply with respect to your computer system:

21.1.1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Playa Bowls Shops, including without limitation: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Playa Bowls Shops, between or among Shops, and between and among the Franchised Shop and us and/or you; (b) Point of Sale Systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the “Computer System”).

21.1.2 We shall have the right, but not the obligation, 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 shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; and (d) the database file structure of your Computer System.

21.1.3 You shall record all sales on computer-based point of sale systems approved by us or on such other types of systems as may be designated by us in the Manual or otherwise in writing (“Point of Sale Systems”), which shall be deemed part of your Computer System.

21.1.4 You shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as we may request in writing (collectively, “Computer Upgrades”).

21.1.5 You shall comply with all specifications issued by us with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us.

21.2 Data

We may, from time to time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the Computer System installed at the Shop, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Shop, and all data created or collected by you in connection with the System, or in connection with your operation of the Shop (including without limitation data pertaining to or otherwise concerning the Shop’s customers) or otherwise provided by you (including, without limitation, data uploaded to, or downloaded from your Computer System) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the business franchised under this Agreement.

21.3 Privacy

You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals (“Privacy”) and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

21.4 Telecommunications

You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Intranet (as defined below), if any, and/or such other computer systems as we may reasonably require.



21.5 Intranet

We may establish a website providing private and secure communications between us, you, franchisees, licensees and other persons and entities as determined by us, in our sole discretion (an “Intranet”). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Intranet and utilizing the Intranet in connection with the operation of the Shop. The Intranet may include, without limitation, the Manuals, training other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet.

21.6 Online Use of Proprietary Marks

You shall not use the Proprietary Marks, or any abbreviation or other name associated with us and/or the System as part of any email address, domain name, and/or other identification of you in any electronic medium. You agree not to transmit or cause any other party to transmit advertisements or solicitations by email or other electronic media without our prior written consent as to your plan for transmitting such advertisements.

21.7 No Outsourcing Without Prior Written Consent

You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor, unless we have designated an approved supplier to provide such services. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor’s entry into a confidentiality agreement with us and you in a form that is reasonably provided by us.

21.8 Changes to Technology

You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Article 21 were periodically revised by us for that purpose. You acknowledge and understand that this Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades.

ARTICLE 22

YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

22.1 Your Representations

You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement, that:

22.1.1 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over the Shop.



22.1.2 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed.

22.1.3 You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you have furnished to us before the execution of this Agreement.

22.1.4 As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors, partners or principals (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

22.1.5 Neither you nor any of your Principals is a party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

22.1.6 All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

22.2 Your Acknowledgments

You acknowledge the truthfulness of the statements contained in Attachment 7 hereto. Your acknowledgments are an inducement for us to enter into this Agreement. You shall immediately notify us, prior to acknowledgment, if any statement in Attachment 7 is incomplete or incorrect.

[SIGNATURE PAGE TO FOLLOW]



Each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

FRANCHISEE:

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____

Name: _____

Title: _____

Accepted On: _____

(the "Effective Date")





Attachment 1 to Franchise Agreement

ACCEPTED LOCATION AND DESIGNATED TERRITORY

1. ACCEPTED LOCATION

Pursuant to Article 1.2 of the Franchise Agreement, the Shop shall be located at the following Accepted Location:

2. DESIGNATED TERRITORY:

Pursuant to Article 1.4 of the Franchise Agreement, the Designated Territory shall be a radius of _____ (_____) miles around the Accepted Location.

FRANCHISEE:

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____





Attachment 2 to Franchise Agreement

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (“Assignor”) assigns, transfers and sets over to Playa Bowls Franchisor LLC, a New Jersey limited liability company (“Assignee”), all of Assignor’s right and title to and interest in that certain “Lease” a copy of which is attached as Exhibit A respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor’s obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor’s default under the Lease or under the “Franchise Agreement” for a Shop between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee’s prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee’s failure to agree otherwise in writing and upon Assignor’s failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:
PLAYA BOWLS FRANCHISOR LLC

ASSIGNOR:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____



CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor’s failure to cure any default by Assignor under the Lease;

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within 30 days after Lessor’s delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30 day period noted in section (b) above Assignor’s defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant’s obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Shop.

Dated: _____

_____, Lessor





Attachment 3 to Franchise Agreement

**DATA SHEET AND STATEMENT OF OWNERSHIP
INTERESTS IN FRANCHISEE**

A. Franchisee Entity: _____

B. Entity Address: _____

C. Principals: Name: _____
 Address: _____

 Mobile Phone: _____
 Home Phone: _____
 Work Phone: _____
 Email Address: _____

Percentage Ownership in Entity: _____ %

 Name: _____
 Address: _____

 Mobile Phone: _____
 Home Phone: _____
 Work Phone: _____
 Email Address: _____

Percentage Ownership in Entity: _____ %

[SIGNATURE PAGE TO FOLLOW]



FRANCHISEE:

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____ =





Attachment 4 to Franchise Agreement

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT (for trained employees and managers of the Franchised Business)

In consideration of my being a _____ of _____ (“Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____ (the “Franchise Agreement”), Franchisee has acquired the right and franchise from Playa Bowls Franchisor LLC (the “Company”) to establish and operate a Playa Bowls Shop (the “Franchised Business”) and the right to use in the operation of the Franchised Business the Company’s trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Proprietary Marks”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion, only at the following authorized and Accepted Location: _____ (the “Accepted Location”).

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the “System”) relating to the establishment and operation of Franchised Businesses offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, recipes, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the “Confidential Information”).

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company’s Confidential Operations Manuals (the “Manuals”), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to



be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any food service business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business (a “Competitive Business”); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 Franchisee’s Designated Territory, as defined in the Franchise Agreement (“Franchisee’s Designated Territory”);

7.2 25 miles of Franchisee’s Designated Territory; or

7.3 25 miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than 5% beneficial interest in the outstanding securities of any publicly held company.

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

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of New Jersey, without regard to the application of New Jersey conflict of law rules. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.



Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By: _____
Name: _____
Title: _____





Attachment 5 to Franchise Agreement

ELECTRONIC TRANSFER AUTHORIZATION

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO PLAYA BOWLS FRANCHISOR LLC (“COMPANY”)

Depositor hereby authorizes and requests _____ (the “Depository”) to initiate debit and credit entries to Depositor’s checking or savings account (select one) indicated below drawn by and payable to the order of Playa Bowls Franchisor LLC by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository’s rights with respect to each such charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request.

Depositor: (Please Print)

Date Signed

Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.





Attachment 6 to Franchise Agreement

INTERNET ADVERTISING, DIGITAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, DIGITAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”) by and between Playa Bowls Franchisor LLC, a New Jersey limited liability company (the “Franchisor”), and _____, a _____ (the “Franchisee”).

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Playa Bowls business (“Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement related to the use of Digital Media as such term is defined in this Agreement.

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

1. **Definitions**

The term “Digital Media” shall refer to and mean any interactive or static digital document, listing, directory, application, advertisement, e-commerce platform, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms including, without limitation, Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, refences, identifies, reviews, promotes and/or relates, in any way, to Playa Bowls Shops, Franchisee’s Playa Bowls Shop, the Marks, the System and/or us. Without limitation to the foregoing, Digital Media includes our designated website(s), and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 **Interest in Websites, Social Media Accounts and Other Digital Media.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain Digital Media (collectively, “Digital Media”) related to the Franchised Business or the Marks.



2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Digital Media: (i) to transfer all of Franchisee’s interest in such Digital Media to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Digital Media, Franchisee will immediately direct the Internet Companies to terminate such Digital Media or will take such other actions with respect to the Digital Media as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee’s interest in and to the Digital Media to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Digital Media;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.



2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Digital Media and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. Miscellaneous

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New Jersey, without regard to the application of New Jersey conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.



FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____





Attachment 7 to Franchise Agreement

FRANCHISEE ACKNOWLEDGMENT STATEMENT

You hereby acknowledge the following:

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

Initial

2. You have conducted an independent investigation of the business contemplated by this Agreement and understand and acknowledge that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of you and your efforts as an independent business operation.

Initial

3. You agree that no claims of success or failure have been made to you prior to signing the Franchise Agreement and that you understand all the terms and conditions of the Franchise Agreement. You further acknowledge that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. You have no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. You acknowledge that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. You represent, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining the Franchise Agreement.



Initial

5. You expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. You acknowledge that our approval or acceptance of your Franchised Business' location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by us that the operation of the Franchised Business at the premises will be successful or profitable.

Initial

7. You acknowledge that you have received the Playa Bowls Franchisor LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least 14 calendar days prior to the date on which the Franchise Agreement was executed. You further acknowledge that you have read such Franchise Disclosure Document and understand its contents.

Initial

8. You acknowledge that you have had ample opportunity to consult with your own attorneys, accountants and other advisors and that the attorneys for us have not advised or represented you with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. You, together with your advisers, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial



10. You are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that we are also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that we do not warrant that such products will not be sold within your Designated Territory by others who may have purchased such products from us.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, YOU AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF YOUR AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE PLAYA BOWLS FRANCHISOR LLC, PLAYA BOWLS, LLC, AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

Initial

Maryland Disclosure: 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.

Acknowledged this day of _____.

PRINCIPAL:

FRANCHISEE:

Signature

Name: _____

By: _____

Name: _____

Title: _____





Attachment 8 to Franchise Agreement

AMERICANS WITH DISABILITIES ACT CERTIFICATION

Playa Bowls Franchisor LLC (“Franchisor”) and _____ (“Franchisee”) are parties to a Franchise Agreement dated _____, for the operation of a “Playa Bowls” Shop at _____ (the “Franchised Business”). In accordance with Article 2 of the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of Franchisee’s 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. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisee does not constitute ownership, control, leasing or operation of the Franchised Business. Franchisee acknowledges that Franchisee has relied on the information contained in this certification. Furthermore, Franchisee acknowledge its obligation under this Franchise Agreement to indemnify Franchisor and the officers, directors, and employees of Franchisor 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 Franchisee’s compliance with the Americans with Disabilities Act, as well as the costs, including attorneys’ fees, related to the same.

FRANCHISEE

By: _____

Name: _____

Title: _____





Attachment 9 to Franchise Agreement

SPOUSAL GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on _____ (the “Effective Date”), to Playa Bowls Franchisor LLC, a New Jersey limited liability company (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the “Franchise Agreement”) with _____, a(n) _____, _____ and _____ (collectively “Franchisee”).

Guarantor acknowledges that Guarantor is the spouse of Franchisee’s Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Article 10 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.



Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

Signature
Name: _____
Address: _____





**Exhibit C to the
Playa Bowls Franchise Disclosure Document**

MULTI-UNIT DEVELOPMENT AGREEMENT





PLAYA BOWLS FRANCHISOR LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPER

DATE OF AGREEMENT



Multi-Unit Development Agreement

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ATTACHMENTS:

- 1 Certification by Multi-Unit Developer
- 2 Minimum Performance Schedule
- 3 Development Area





MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into this day of _____, between Playa Bowls Franchisor LLC, a New Jersey limited liability company, having its principal place of business at 803 Ocean Avenue, Belmar, New Jersey 07719 (“we”, “us” or “our”), and _____, an individual residing at _____ (hereinafter “you” or “your”).

W I T N E S E T H:

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed and own a unique and distinctive system (hereinafter “System”) relating to the establishment and operation of a shop operating under the name “Playa Bowls” offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options for dine-in and take-out (“Shop” or “Franchised Business”);

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “Playa Bowls” and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as “Marks” or “Proprietary Marks”);

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service; and

WHEREAS, you wish to obtain certain development rights to open and operate Shops operating under the Marks and the System within the Development Area described in this Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:



SECTION 1
GRANT

1.1 We hereby grant to you, pursuant to the terms and conditions of this Agreement, certain development rights (“Development Rights”) to establish and operate _____ (_____) franchised Shops, and to use the Marks and System solely in connection therewith, at specific locations to be designated in separate Franchise Agreements executed as provided in Article 3.1 hereof, and pursuant to the schedule established in Attachment 2 of this Agreement (hereinafter “Minimum Performance Schedule”). Each Shop developed hereunder shall be located in the area described in Attachment 3 of this Agreement (hereinafter “Development Area”). The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the last Playa Bowls Shop to be developed hereunder.

1.2 Each Shop for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Article 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Shop in the Development Area during the term of this Agreement, provided you are not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

1.5 You shall have no right under this Agreement to franchise others under the Marks or System.

SECTION 2
DEVELOPMENT FEE; INITIAL FRANCHISE FEES

2.1 In consideration of the development rights granted herein, you shall pay to us a Development Fee of _____ Dollars (\$ _____), payable upon execution of this Agreement (“Development Fee”). The Development Fee is calculated as 100% of the initial franchise fee for the first Shop to be developed hereunder, plus a deposit equal to 50% of the initial franchise fee for each additional Shop to be developed hereunder.

2.2 The Development Fee shall be fully earned by us upon execution of this Agreement, shall be non-refundable, and shall be for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the Development Rights granted to you herein.

2.3 The initial franchise fee payable for each Shop to be developed hereunder shall be \$35,000.

2.4 The initial franchise fee for the first Shop has been paid in full in the Development Fee. You shall execute the Franchise Agreement for the first Shop contemporaneously with your execution of this Agreement and a portion of the Development Fee will be used to satisfy the initial franchise fee for such first Shop in full. For each additional Shop developed hereunder, we will apply a *pro rata* portion of the Development Fee toward the initial franchise fee due for such Shop. The balance of the initial franchise fee is payable to us in a lump sum upon execution of the Franchise Agreement for that Shop.



SECTION 3
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 You shall assume all responsibility and expense for locating potential sites for Shops and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have 30 days after receipt of such information and materials from you to accept or decline the site in our sole discretion. If the site is accepted, you will then be presented with the Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and in accordance with the Minimum Performance Schedule. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Article 9.1 hereof. Under no circumstances may you open a Shop for business unless and until there is a fully executed Franchise Agreement in place for such Shop and we have been paid all amounts payable to us.

3.3 You shall exercise each Development Right granted herein only by executing a Franchise Agreement for each Shop at a site approved by us in the Development Area as hereinafter provided within 10 days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then current Franchise Agreement, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies within said 10 days from delivery thereof to you, our approval of the site shall be void and you shall have no rights with respect to said site.

3.4 You acknowledge that the approval of a particular site for a Shop by us shall not be deemed to be an assurance or guaranty that the Shop will operate successfully or at a profit from such site.

3.5 You may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership for the sole purpose of entering into a Franchise Agreement and operating the Playa Bowls Shop pursuant thereto, provided that you shall also personally sign such Franchise Agreement as a principal.

SECTION 4
DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Article 1.1. Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may or may not, in our sole discretion, include the right to develop Shops at any “Non-Traditional Sites”. Non-Traditional Sites include without limitation gas stations or convenience stores; transportation facilities, including airports, train stations, subways and rail and bus stations; military bases and government offices; sports facilities, including stadiums and arenas; amusement parks, zoos and convention centers; car and truck rest stops and travel centers; educational facilities; recreational theme parks; hospitals; hotels; business or industrial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; Indian reservations; casinos; or



any similar captive market location not reasonably available to you, whether currently existing or constructed or established subsequent to the date hereof.

4.2 Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Article 3.2 and the Minimum Performance Schedule, and you are in full compliance with all of your obligations under all Franchise Agreements executed pursuant to this Agreement, then during the term of this Agreement neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Shops within the Development Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Shops within the Development Area subject only to the territorial rights granted to you with respect to Shops operated by you pursuant to the Franchise Agreements and subject, further, to the right of first refusal described in Article 6 below.

4.4 We and our affiliates retain all rights with respect to Shops, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.4.1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Shops and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Development Area, and under any terms and conditions we deem appropriate. "Alternative distribution channels" include, but are not limited to, the internet, catalog sales, grocery stores, club stores, specialty food stores, telemarketing or other direct marketing sales;

4.4.2 to operate and to grant others the right to operate Shops located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to a Shop;

4.4.3 to operate and to grant others the right to operate Shops at Non-Traditional Sites within and outside the Development Area under any terms and conditions we deem appropriate, subject to the right of first refusal described in Article 6.2; and

4.4.4 to acquire and operate a business operating one or more shops or food service businesses located or operating in the Development Area, except that these businesses will not operate using the Proprietary Marks.

SECTION 5 **RENEWAL**

This Agreement shall not be subject to renewal; however, if you wish to purchase a new Development Area and continue to develop Shops, we will, in good faith, negotiate a new Multi-Unit Development Agreement with you.

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SECTION 6
TERM AND RIGHT OF FIRST REFUSAL

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Shop is opened pursuant to the Minimum Performance Schedule established in Attachment 2.

6.2 If, during the term of this Agreement, a Non-Traditional Site becomes available in your Development Area, then we may, in our sole discretion, offer to you the opportunity to develop a Shop at such Non-Traditional Site. You shall have 30 days after receipt of our notice in which to accept or decline this right of first refusal. Your failure to notify us within such 30 day period shall be interpreted that you have declined the right of first refusal. Nothing in this Agreement shall require us to provide you with a right of first refusal for a Non-Traditional Site.

6.3 Upon completion of the Minimum Performance Schedule, if we determine that it is desirable to operate one or more additional Shops in the Development Area, and provided you have timely complied with the Minimum Performance Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the Development Rights to such additional Shops upon such reasonable terms and conditions as are then determined by us including, but not limited to, the imposition of a new Development Fee and the payment of the then current initial fees upon execution of the then current Franchise Agreements. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Shops. You must notify us in writing within 60 days of the receipt of such notice whether you wish to acquire the Development Rights to one or all of such additional Shops. If you do not exercise this right of first refusal, in whole, we may, following the expiration of the 60 day period, grant the Development Rights to such additional Shops to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional Shops.

SECTION 7
YOUR OBLIGATIONS

You acknowledge and agree that:

7.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Shops and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Shops within the Development Area. You shall obtain the license to use such additional rights at each Shop upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Article 11 hereof.

7.3 Except as provided in Articles 6.1 and 6.2 hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

7.3.1 To continue to construct and operate other Shops and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

7.3.2 To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for



use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

7.3.3 To develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public through alternative distribution channels outside or inside of the Development Area and to use the Marks in connection therewith.

7.4 You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.5 In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your business and that the operations of said business are separate and distinct from the operation of a Playa Bowls Shop.

7.6 You shall at all times preserve in confidence any and all materials and information furnished or disclosed to you by us and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.7 You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.8 You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.9 In no event shall any Shop be opened for business unless and until a Franchise Agreement for such Shop has been fully executed and the initial franchise fee for such Shop has been fully paid.

SECTION 8 **OUR SERVICES**

We shall, at our expense, provide the following services:

8.1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for approval thereof.

8.2 Assist you in determining the layout and configuration of each Shop once the location has been approved. After you and we have determined the layout and configuration of each Shop, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review and approval.

8.3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon our receipt of your written request for approval thereof.

8.4 Provide such other resources and assistance as may hereafter be developed and offered by us to our other multi-unit developers.



SECTION 9
DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

9.1.1 If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If you shall purport to effect any assignment other than in accordance with Article 11 hereof.

9.1.3 Except as provided in Article 11 hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least 25% of the Shops to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4 If you make, or have made, any material misrepresentation to us in connection with obtaining this Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.5 If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Shop and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7 If any of you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one year.

9.1.8 If any of you shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9 If you or any of your affiliates cease to operate all of the Shops developed pursuant to the terms of this Agreement.

9.2 Upon occurrence of any of the events stated in this Article 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective 30 days after written notice (or such other notice as may be



required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2 If you shall have any interest, direct or indirect, in the ownership or operation of any food service business engaged in the sale of products the same as or substantially similar to those permitted to be sold by a Playa Bowls Shop or in any food service business which looks like, copies or imitates the Shop or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement with us.

9.2.3 If you shall fail to remit to us any payments pursuant to Article 2 when same are due.

9.2.4 If you shall begin work upon any Shop at any site unless all the conditions stated in Article 3 hereof have been met.

9.2.5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.2.6 If you default in the performance of any other obligation under this Agreement.

9.2.7 If you open any Shop for business before a Franchise Agreement for such Shop has been fully executed and the initial franchise fee due to us has been paid.

SECTION 10

OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Shops.

10.1.2 To cease immediately to hold yourself out in any way as a multi-unit developer of ours or to do anything which would indicate a relationship between you and us.

10.2 No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION 11

TRANSFER OF INTEREST

11.1 This Agreement is personal to you and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Article shall constitute a material breach of this Agreement.



11.2 You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least 25% of the Shop(s) to be constructed hereunder are opened or under construction shall be deemed to be an event of default.

11.3 If you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within 30 days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Article 11.3, to purchase such business, Development Rights and interests, including your right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline or do not accept the offer in writing within 30 days, you may, within 30 days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Article 11. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Article 11.3 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Article with respect to the proposed transfer.

11.4 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Article 11 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.5 Except as provided in this Article 11, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.5.1 All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.5.2 All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid.

11.5.3 You are not in default hereunder.

11.5.4 We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.5.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Development Agreement, Franchise Agreements for all Shops open or under construction hereunder, and such other then current ancillary agreements being required by us of new multi-unit developers on the date of transfer.



11.5.6 You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

11.5.7 You or transferee pay to us a transfer fee equal to \$10,000 to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.6 As it relates to death or disability:

11.6.1 Upon your death or upon the death of any person who has an interest of more than 50% in this Agreement or the Development Rights (the “Deceased”), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within 12 months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within 12 months after the death of the Deceased.

11.6.2 Upon your permanent disability or upon the permanent disability of any person who has an interest of more than 50% in this Agreement or the Development Rights, we may, in our reasonable discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 11 within six months after notice to you. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least 90 consecutive days and from which condition recovery within 90 days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Article 11. The costs of any examination required by this Article shall be paid by us.

11.6.3 Upon the death or claim of permanent disability of you or of any person who has an interest of more than 50% in this Agreement or the Development Rights, you or a representative of yours must notify us of such death or claim of permanent disability within 10 days of its occurrence. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as described in this Article for any *inter vivos* transfer. If an interest is not transferred upon death or permanent disability as required in this Article, then such failure shall constitute a material event of default under this Agreement.

11.7 Our consent to a transfer of any interest by you or of any of the Development Rights pursuant to this Article shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.8 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities;



may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of “Playa Bowls Franchisor LLC” as Franchisor. Nothing contained in this Agreement shall require us to remain in the shop business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

SECTION 12 **COVENANTS**

12.1 You specifically acknowledge that, pursuant to this Agreement, you will receive valuable training and confidential information, including, without limitation, secret recipes, information regarding the marketing methods and techniques of us and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any restaurant or food service business other than the Franchised Business (including any business operated by you prior to entry into this Agreement), which business is of a character and concept similar to the Shop, including a restaurant which offers and sells the same or substantially similar food products (a “Competitive Business”).

12.2 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two years thereafter (and, in case of any violation of this covenant, for two years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Business which is located within 25 miles of any Playa Bowls Shop in the System.

12.3 Subsections 12.1.2 and 12.2 of this Article shall not apply to ownership by you of less than a 5% beneficial interest in the outstanding equity securities of any company which is registered under the Securities Exchange Act of 1934.

12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 12 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article 12.

12.5 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant stated in Articles 12.1 and 12.2 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Article 16 hereof.



12.6 You expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article 12.

12.7 You acknowledge that any failure to comply with the requirements of this Article 12 would cause us irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to our seeking injunctive relief prohibiting any conduct by you in violation of the terms of this Article 12. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement or otherwise.

12.8 During the term of this Agreement, an officer or agent of ours shall have the right to inspect any Shop in which you have an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Article 12 are being satisfied. If, by reason of such inspections or otherwise, we have reason to believe that you are not in full compliance with the terms of this Article, we shall give notice of such default to you, specifying the nature of such default. If you deny that you are in default hereunder, as specified by us, you shall have the burden of establishing that such default does not exist and shall give notice to us of your position within 10 days of receipt of the notice from us. Unless you so deny such default, you shall immediately take all steps to cure said default in a manner satisfactory to us.

SECTION 13

NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by facsimile or email (provided that the sender confirms the facsimile or email by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission) to the respective parties at the addresses in the introductory paragraph hereof, unless and until a different address has been designated by written notice to the other party.

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile and/or email, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three business days after the date and time of mailing.

SECTION 14

INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 The parties acknowledge and agree that you shall be an independent contractor and this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. You understand and agree that you are and will be an independent contractor under this Agreement. Nothing in this Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Your employees are not our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, shall be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or terminate the employment of your employees. You expressly agree, and will never claim



otherwise, that our authority under this Agreement to determine that certain of your employees are qualified to perform certain tasks for you does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

You agree that you alone are to exercise day-to-day control over all operations, activities and elements of your business, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Business.

14.2 During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on any Shop premises established for the purposes hereunder and on all letterhead, business cards, forms, and as further described in the Manual. We reserve the right to specify in writing the content and form of such notice.

You acknowledge and agree that any training we provide for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Playa Bowls Shop and in no fashion reflects any employment relationship between us and such employees. If it is ever asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, appearing at any venue requested by us to testify on our behalf; participating in depositions or other appearances; or preparing affidavits rejecting any assertion that we are the employer, joint employer or co-employer of any of your employees.

14.3 You understand and agree 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 assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

SECTION 15 **APPROVALS**

15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.



SECTION 16
NON-WAIVER

No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

SECTION 17
SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Article 11 hereof, any rights or remedies under or by reason of this Agreement.

17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6 This Agreement may be executed in multiple copies, each of which shall be deemed an original.

SECTION 18
ENTIRE AGREEMENT

This Agreement, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.



SECTION 19
DISPUTE RESOLUTION; APPLICABLE LAW

19.1 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration within the county and state where we maintain our headquarters under the authority of such state's statutes (the "Statutes"). The arbitrator(s) will have a minimum of five years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Article will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.2 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you hereby irrevocably submit yourself to the jurisdiction of the state courts and the Federal District Court closest to our headquarters. You hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You hereby agree that service of process may be made upon any of you in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by New Jersey or federal law. You further agree that venue for any proceeding relating to or arising out of this Agreement shall be the county and state where we maintain our headquarters; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under the law of the state where we maintain our headquarters.

19.3 You and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Articles 19.1 and 19.2 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.4 You and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Monmouth County, New Jersey, and further acknowledge that the performance of certain of your obligations arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of ours, shall occur in Monmouth County, New Jersey.

19.5 You and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual



capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

19.6 We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of you and us, or your operation of the Franchised Business, brought by either party hereto against the other, whether in arbitration, or a legal action, shall be commenced within two years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

19.7 If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

SECTION 20 **TIMELY PERFORMANCE**

You hereby acknowledge that your timely development of the Shops in the Development Area in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Shops within the Development Area in accordance with the Minimum Performance Schedule, to operate such Shops pursuant to the terms of the Franchise Agreements and to maintain all such Shops in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage. Force Majeure shall not include your lack of financing.

SECTION 21 **ACKNOWLEDGMENTS**

21.1 YOU ACKNOWLEDGE THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESSPERSON. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

21.2 YOU ACKNOWLEDGE HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE ATTACHMENTS ATTACHED HERETO AND AGREEMENTS RELATING



HERETO, IF ANY, AND THE DISCLOSURE DOCUMENT DELIVERED SIMULTANEOUSLY HERewith; AND WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT.

21.3 YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION AT LEAST 14 CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY PAYMENT WAS MADE TO US OR OUR AFFILIATE.

21.4 YOU EXPRESSLY ACKNOWLEDGE THAT YOU HAVE NOT RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON OUR BEHALF REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF PLAYA BOWLS RESTAURANTS OR DEVELOPMENT OF THE DEVELOPMENT AREA, EXCEPT AS MAY BE INCLUDED IN ITEM 19 OF THE DISCLOSURE DOCUMENT HERETOFORE PROVIDED TO YOU.

SECTION 22
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us.

The parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

MULTI-UNIT DEVELOPER:

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

Name: _____

By: _____
Name: _____
Title: _____





Attachment 1 to Multi-Unit Development Agreement

CERTIFICATION BY MULTI-UNIT DEVELOPER

The undersigned, personally and as Multi-Unit Developer does hereby certify that he/she has conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the Playa Bowls Franchisor LLC Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he/she has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated “Playa Bowls” Shops, except as may be included in Item 19 of the Franchise Disclosure Document heretofore provided to Multi-Unit Developer. The undersigned further certifies that he/she understands the risks involved in this investment and Playa Bowls Franchisor LLC makes no representation or guaranty, explicit or implied, that the Multi-Unit Developer will be successful or will recoup his investment.

The undersigned has signed, sealed and delivered this Certificate this day of _____.

Name: _____

Name: _____

Name: _____





Attachment 2 to Multi-Unit Development Agreement

MINIMUM PERFORMANCE SCHEDULE

The Agreement authorizes and obliges Multi-Unit Developer to establish and operate _____ (__) “Playa Bowls” Shops pursuant to a Franchise Agreement for each Shop. The following is Multi-Unit Developer’s Minimum Performance Schedule:

Minimum Cumulative Number
of Franchise Agreements for
Shops to be located
and Operating
Within the Development Area

By this Date

Total: _____

The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the final Shop to be developed pursuant to this Agreement.

APPROVED:
MULTI-UNIT DEVELOPER:

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

Name: _____

By: _____
Name: _____
Title: _____





Attachment 3 to Multi-Unit Development Agreement

DEVELOPMENT AREA

The following describes the Development Area within which Multi-Unit Developer may locate “Playa Bowls” Shops under this Agreement:

APPROVED:
MULTI-UNIT DEVELOPER:

Name: _____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By: _____
Name: _____
Title: _____





**Exhibit D to the
Playa Bowls Franchise Disclosure Document**

**LIST OF FRANCHISEES AND
FRANCHISEES THAT HAVE LEFT THE SYSTEM**



LIST OF FRANCHISEES

FRANCHISEES (as of December 31, 2022)			
State	Business Location	Franchisee	Phone Number
AL	460 John Henry Way, Suite 390 Madison, AL 35757 (Outlet Not Yet Open)	PB Madison AL, Inc. Rodney Cottingham	(256) 763-1198
	100 Outfield Drive, Suite D Madison, AL 35758 (Outlet Not Yet Open)	PB Madison AL, Inc. Rodney Cottingham	(256) 763-1198
	Huntsville, AL 35803 (Outlet Not Yet Open)	PB Madison AL, Inc. Rodney Cottingham	(256) 763-1198
AZ	ASU (Outlet Not Yet Open)	IT'S A "SHORE" THING 1 LLC Larry DeRogatis, Anthony DeRogatis & Susan DeRogatis	(602) 768-6605
	Gilbert, AZ (Outlet Not Yet Open)	PLAYA GILBERT, LLC Zachary Markham & Erica Markham	(480) 773-1855
	24750 S Ellsworth Road, Suite A101 Queen Creek, AZ 85142	PLAYA QC, LLC Zachary Markham & Erica Markham	(480) 773-1855
	8870 N 9 th Street, Suite 103 Scottsdale, AZ 85258	IT'S A "SHORE" THING 2 LLC Larry DeRogatis, Anthony DeRogatis & Susan DeRogatis	(480) 476-7550
CO	14505 East Alameda Avenue Aurora, CO 80012	EAST GONE WEST 4 LLC Cody Benisch & Robert Wissing	(973) 715-0176
	Denver, CO (Outlet Not Yet Open)	EAST GONE WEST 5 LLC Cody Benisch & Robert Wissing	(973) 715-0176
	99 S. Broadway, Suite 115 Denver, CO 80209	EAST GONE WEST 2 LLC Cody Benisch & Robert Wissing	(720) 541-7193
	5845 W 25 th Avenue Edgewater, CO 80214	EAST GONE WEST 3 LLC Cody Benisch & Robert Wissing	(303) 632-6108
	2490 W Main Street Littleton, CO	EAST GONE WEST LLC Cody Benisch & Robert Wissing	(303) 353-2776
CT	380 W Main Street Avon, CT 06001 (Outlet Not Yet Open)	PB Avon LLC	(860) 205-6262
	1029 Boston Post Road Darien, CT	PLAYA OF DARIEN INC	(203) 202-7446
	57 Unquowa Road Fairfield, CT 06824-5032	PLAYA OF FAIRFIELD LLC	(203) 292-6999
	140 Glastonbury Road Glastonbury, CT 06033	PB GBURY LLC Mitchell Jackson & Michael Bogdan	(860) 430-2609
	51 Memorial Road West Hartford, CT 06107-220	PB WEHA LLC	(860) 216-4152
DE	Dewey Beach, DE (Outlet Not Yet Open)	GEE BOWLS INC	(443) 350-2978
	832 Kohl Avenue Middletown, DE 19709-4703	GEE BOWLS INC	(302) 696-2463
	220 Rehoboth Avenue Rehoboth Beach, DE 19971-2134	GEE BOWLS INC	(302) 567-2311
	134 East Main Street Newark, DE 19711-7327	GEE BOWLS INC	(302) 286-5196
	3614 Concord Pike Wilmington, DE 19803	Dustin Mushinski	(443) 350-2978



FL	Aventura, FL (Outlet Not Yet Open)	PBFL LLC	(561) 305-7100
	6620 SW 57th Avenue (Coral Gables) South Miami, FL 33143	PB SOFLO LLC	(954) 529-0078
	3111 N University Drive, Suite 112 Coral Springs, FL	PBFL LLC	(561) 305-7100
	2471 S University Drive Davie, FL 33324	PB DAVIE LLC	(786) 400-6147
	1134 E Atlantic Avenue Delray Beach, FL 33483	Joseph Coakley**	(561) 359-2946
	Doral, FL (Outlet Not Yet Open)	PBFL LLC	(561) 305-7100
	10041 University Drive, Suite 160 Fort Myers, FL 33913	Michael L. Bergen	(239) 887-4931
	Jupiter, FL (Outlet Not Yet Open)	Z BOWLS 1 LLC	(973) 229-4394
	3131 NE 1st Avenue, Space D1, Miami, Florida 33137 (Outlet Not Yet Open)	PB Miami Midtown LLC Roxanne Vogel	(954) 529-0078
	Naples, FL (Outlet Not Yet Open)	BERGEN SUN & STARS LLC	(215) 760-6080
	Port St. Lucie, FL (Outlet Not Yet Open)	Z BOWLS 1 LLC	(973) 229-4394
	58 Main Street Rosemary Beach, FL 32413	30ACAI LLC	(850) 399-4042
	St. Augustine, FL (Outlet Not Yet Open)	Richard Hardman and Mark Williams	(732) 966-7716
	St. John's, FL (Outlet Not Yet Open)	Richard Hardman and Mark Williams	(732) 966-7716
	4655 Gulf Boulevard, Suite 104, St Pete Beach, Florida 33706 (Outlet Not Yet Open)	Ethan McGowan and Jacob McGowan	(201) 218-6364
	Sarasota (34243) (Outlet Not Yet Open)	Ethan McGown and Seth McGown	(201) 218-6364
	Sarasota (34246) (Outlet Not Yet Open)	Ethan McGown and Seth McGown	(201) 218-6364
	1925 NW Federal Highway Stuart, Florida 34957 (Outlet Not Yet Open)	Z BOWLS 1 LLC	(973) 229-4394
	Tampa, FL (Outlet Not Yet Open)	Tabatha L. Castro and Pablo Reid	(856) 366-3206
	2653 Bruce B. Downs Blvd, Unit 106 & 107 Wesley Chapel, Florida 33544 (Outlet Not Yet Open)	PB Wesley Chapel, LLC Tabatha Castro and Pablo Reid	(856) 366-3206
9982 Glades Road West Boca Raton, FL 33434	PBFL LLC	(561) 305-7100	
GA	6365 Halcyon Way, Suite 930 Alpharetta, GA 30005	PB HALCYON LLC	(678) 580-2458
	661 Auburn Avenue, Suite 160 Atlanta, GA 30312-1999	PB GEORGIA LLC	(404) 963-1746
	5070 Peachtree Boulevard Chamblee, GA 30341-2870	PB GEORGIA LLC	(678) 694-1734
	5160 Town Center Blvd, Suite 530	RANSOM PB LLC	(678) 336-9800



	Peachtree Corners, GA 30092		
IL	Chicago, IL (Outlet Not Yet Open)	CHICAGO BOWLS 1 LLC	(708) 945-9454
KY	4600 Shelbyville Road, Suite 645 Jefferson County, NY 40207	SABLER LLC	(502) 560-5279
	40059, KY (Outlet Not Yet Open)	SABLER LLC	(502) 807-2327
	40241, KY (Outlet Not Yet Open)	SABLER LLC	(502) 807-2327
LA	660B Arlington Creek Centre Blvd Baton Rouge, LA 70820-6019	BR BOWLS LLC	(225) 256-5006
	Mandeville, LA (Outlet Not Yet Open)	NORTSHORE BOWLS LLC	(985) 774-1893
	730 Veterans Memorial Blvd Metairie, LA 70005	NOLA BOWLS LLC	(985) 774-1893
	5601 Magazine Street New Orleans, Louisiana 70115 (Outlet Not Yet Open)	UPTOWN ACAI LLC	(985) 774-1893
MD	2494 Solomons Island Road Annapolis, MD 21401	Dave Eynon and Jeffrey Giuliani	(303) 946-2053
	2632 Quarry Lake Drive Baltimore, MD 21209	QLPB LLC, Dov Ocken, Jennifer Ocken, PRETTER CAPITAL, LLC, Isaac Pretter, Nancy Pretter	(410) 413-6157
	8525 Chevy Chase Lake Terrace Chevy Chase, MD 20815 (Outlet Not Yet Open)	JDACAI Chevy Chase LLC	(303) 946-2053
	Clarksville, MD (Outlet Not Yet Open)	JDACAI Holdings LLC	(303) 946-2053
	7417A Baltimore Avenue College Park, MD 20740-3276	GEE BOWLS INC.	(301) 851-5378
	Columbia, MD (Outlet Not Yet Open)	FINNATIC ALLIANCE, LLC Jose and Sophia Finn	(206) 250-2719
	28601 Marlboro Avenue Easton, MD 21601-2786	MARTINA6 INCORPORATED	(484) 387-0470
	Ellicott City, MD (Outlet Not Yet Open)	FINNATIC ALLIANCE, LLC Jose and Sophia Finn	(206) 250-2719
	Fulton, MD (Outlet Not Yet Open)	FINNATIC ALLIANCE, LLC Jose and Sophia Finn	(206) 250-2719
	12193 Darnestown Road Gaithersburg, MD 20878	JDACAI DARNESTOWN LLC	(240) 477-8952
	14014 Detrick Ave, Suite 200 Kensington, MD 20895	JDACAI MOSAIC LLC	(410) 874-6646
	Ocean Pines, MD (Outlet Not Yet Open)	Anthony Martina	(302) 593-4872
	18147 Town Center Drive Olney, MD 20832-1482	JDACAI OLNEY LLC	(301) 250-9919
	7733 Tuckerman Lane Potomac, MD 20854-3266	JDACAI LLC	(240) 403-7456
1012 S. Salisbury Blvd Salisbury, MD 21801-6361	MARTINA6 INCORPORATED	(443) 736-7526	
MA	Attleboro, MA (Outlet Not Yet Open)	PB Restaurant, Inc.	(646) 460-9102
	277 Huntington Avenue Boston, MA 02115-4506	PB HUSKY LLC	(617) 859-5814



	2199 Commonwealth Ave (BC) Brighton, MA 02135-3853	PB EAGLE LLC	(617) 254-0954
	1285 Belmont Street Brockton, MA 02301	PB SHYHAWK LLC	(508) 510-4562
	71 Mt. Auburn Street (Harvard Square) Cambridge, MA 02138-4961	PB CRIMSON LLC	(617) 714-5321
	Dartmouth, MA (Outlet Not Yet Open)	PB Restaurant, Inc.	(646) 460-9102
	Hingham, MA (Outlet Not Yet Open)	PB HINGHAM MA LLC	(617) 780-0303
	532 Adams Street Milton, MA 02186	PB MILTONLLC	(617) 859-5814
	Wellesley, MA (Outlet Not Yet Open)	PB Wellesley LLC	(617) 780-0303
	745 High Street Westwood, MA 02090 (Outlet Not Yet Open)	PB Westwood LLC	(617) 780-0303
	600 Main Street Winchester, MA 18900	PB Winchester LLC	(617) 780-0303
MI	Ann Arbor, Michigan (Outlet Not Yet Open)	PB Ann Arbor LLC	(248) 770-2727
	4087 Maple Road Bloomfield Township, MI 48301	AHSAHEE LLC Matthew Caplan	(248) 731-7817
	225 E Grand Drive Avenue (MSU) East Lansing, MI 48823	DKS COMPANIES, LLC Diana Cannizzaro	(732) 245-1856
	39761 Traditions Drive Northville, MI 48167	NORTHVILLE BOWLS LLC	(248) 770-2727
	2607 S. Rochester Road Rochester Hills, MI 48304 (Outlet Not Yet Open)	AHSAHEE LLC Matthew Caplan	(248) 302-8283
	222 E State Street, Suite 101 Traverse City, MI 49684	COLD AS BOWLS LLC	(610) 772-3719
	275 Big Beaver Troy, MI 48083 (Outlet Not Yet Open)	AHSAHEE LLC Matthew Caplan	(248) 302-8283
NH	Bedford, NH (Outlet Not Yet Open)	PB - BEDFORD, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	70 Storrs Street Concord, NH 03301 (Outlet Not Yet Open)	PB – CONCORD, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	235 Ocean Boulevard Hampton, NH 03842	PB – HAMPTON, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	555 Hooksett Road Manchester, NH 03104-2656	PB – MANCHESTER, LLC	(603) 232-1960
	262 Amherst Street Nashua, NH 03063	PB – NASHUA, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	Salem, NH (Outlet Not Yet Open)	PB – SALEM, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
NJ	701 Cookman Avenue Asbury Park, NJ 07712-7048	JUICE BEACH 2 LLC Cathy Gallo & Anne Sears	(732) 988-9663
	1200 Ocean Avenue Asbury Park, NJ 07712-5698	JUICE BEACH 2 LLC Cathy Gallo & Anne Sears	(718) 887-6985
	610 N Bay Avenue	SUNRISE & SUNSET DREAMS LLC	(609) 467-5818



Beach Haven, NJ 08008-1982		
Bernardsville, NJ (Outlet Not Yet Open)	Tom Graziano	(908) 420-7177
307 Beach Avenue, Unit 2 Cape May, NJ 08204-1407	STOKED LIFE CAPE MAY LLC	(609) 224-7017
Market Place at Garden State Park 2010 Route 70 West, Suite B Cherry Hill, NJ 08002	STOKED LIFE LLC	(856) 320-2133
230 Route 206 N Chester, NJ 07930	MAIN BOWLS CHESTER LLC	(908) 888-2879
102B Union Ave N Cranford, NJ 07016-2121	PB WESTFIELD LLC	(908) 325-6353
4 Broadway Denville, NJ 07834-2704	MAIN BILLS DENVILLE LLC	(973) 784-4062
East Windsor, NJ (Outlet Not Yet Open)	TNCK LLC	(973) 800-7464
505 N Broad Street Elizabeth, NJ 07208	3LR PB ELIZABETH FRANCHISE LLC	(908) 348-6262
38 E Palisade Avenue Englewood, NJ 07631-2902	PB OF ENGLEWOOD LLC	(201) 928-7788
182 Ridgedale Avenue Florham Park, NJ 07932	PLAYA FLORHAM PARK LLC	(973) 295-6976
44M Manchester Avenue (Lacey) Forked River, NJ 08731-1365	ISLAND BOWLS LACEY LLC	(609) 994-2828
833 Franklin Lakes Road Franklin Lakes, NJ 07417	PB OF FRANKLIN LAKES LLC	(201) 824-2400
Freehold Raceway Mall, 3710 US-9 Freehold, NJ 07728	JOBELLA 910-3 LLC	(732) 984-9743
100 Hudson Street Hoboken, NJ 07030-5788	PB HUDSON LLC	(201) 499-3687
Holmdel Towne Center, 35N Holmdel, NJ 07733	PB HOLMDEL LLC	(732) 533-5191
4701 US-9 Howell Township, NJ 07731 (Outlet Not Yet Open)	NAPSCO LLC	(201) 566-8231
603 Grand Central Ave Lavallette, NJ 08735-2213	BARRIER ISLAND INVESTMENTS, INC.	(732) 830-2000
339 N Main Street Manahawkin, NJ 08050-3069	BARRIER ISLAND INVESTMENTS, INC.	(609) 312-7879
300 Route 73, Suite I Marlton, NJ 08053	STOKED LIFE MARLTON LLC	(856) 334-5893
Moorestown, NJ (Outlet Not Yet Open)	Joe Wallash+C166	(609) 610-1700
14 N Park Place Morristown, NJ 07960-6830	PB MORRISTOWN LLC**	(973) 267-1777
Mount Laurel, NJ (Outlet Not Yet Open)	Joe Wallash	(609) 610-1700
Newark Airport, Terminal A 3 Brewster Road Newark, NJ 07114 (Outlet Not Yet Open)	PB EWR, LLC	(917) 930-8234
744 Boardwalk Ocean City, NJ 08226-3727	BOWLS AND DREAMS CORP	(609) 938-2224
1324 S Boardwalk	STOKED LIFE OCEAN CITY LLC	(609) 938-4633



	Ocean City, NJ 08226-3242		
	410 Ocean Avenue Point Pleasant Beach, NJ 08742	POINT BEACH POR VIDA, LLC	(848) 241-9950
	500 Route 23N Pompton Plains, NJ 07444	AC BOWLS LLC	(862) 248-0782
	305 E Ridgewood Avenue Ridgewood, NJ 07450-3359	PB RIDGEWOOD	(201) 639-2700
	82 Park Avenue Rutherford, NJ 07070-1957	3LR PB RUTHERFORD FRANCHISE LLC	(201) 559-3339
	2150 Route 35 Sea Girt, NJ 08750-1012	PLAYA BOWLS SEA GIRT LLC	(732) 359-7166
	33 42 nd Street Sea Isle City, NJ 08243-1939	STOKED LIFE SEA ISLE LLC	(609) 478-3471
	819 Boardwalk Casino Pier Seaside Heights, NJ 08751	GKK LLC	(732) 854-7040
	1999 Promenade Seaside Park, NJ 08752-1242	DAIKEN LLC	(732) 250-6759
	279 New Road Somers Point, NJ 08244	Stoked Life Somers Point LLC Joe Wallash	(609) 365-2432
	3010 State Route 27, Unit 6 South Brunswick, NJ 08824	KADA ENTERPRISES LLC	(848) 777-5292
	4 North Village Blvd, Suite B Sparta, NJ 07871-3592	MAIN BOWLS SPARTA LLC	(973) 729-2695
	261 96 th Street Stone Harbor, NJ 08247-1965	STOKED LIFE LLC	(609) 830-5492
	51 Summit Avenue Summit, NJ 07901-3613	PB SUMMIT LLC	(908) 522-8385
	518 Long Beach Blvd Surf City, NJ 08008-5215	SUNRISE & SUNSET DREAMS LLC	(609) 342-1908
	1816 Palisade Avenue Union City, NJ 07087-4439	3LR PB UNION CITY FRANCHISE LLC	(201) 520-2636
	6414 Ventnor Ave Ventnor City, NJ 08406	Barrier Island Investments, Inc. Ryan Daly & Robert Ciliento	(609) 499-8192
	710 Somerset Street Watchung, NJ 07069	3LR PB WATCHUNG FRANCHISE LLC	(908) 427-3131
	796 Bloomfield Ave West Caldwell, NJ 07006-6710	PLAYA BOWLS WEST CALDWELL	(973) 227-1112
	99 Westwood Ave Westwood, NJ 07675	PB OF WESTWOOD	(201) 824-6800
	531 Route 22 East, Unit 11 Whitehouse Station, NJ 08889	PLAYAWHITEHOUSE LLC	(908) 812-1959
	3800 Boardwalk Wildwood, NJ 08260-5432	STOKED LIFE WILDWOOD LLC	(609) 551-2802
NY	181 Bedford Avenue (Williamsburg) Brooklyn, NY 11211	EARTH BOWLS LLC	(917) 231-5259
	84 Front Street (DUMBO) Brooklyn, NY 11201 (Outlet Not Yet Open)	PB DUMBO LLC	(917) 607-4967
	136 Smith Street (Cobble Hill) Brooklyn, NY 11201 (Outlet Not Yet Open)	PB COBBLE HILL LLC	(917) 607-4967
	425 5th Avenue, Park Slope #1 Brooklyn, NY 11215 (Outlet Not Yet Open)	PB ON THE SLOPE LLC	(917) 607-4967



82 7th Avenue, Park Slope #2 Brooklyn, NY 11217 (Outlet Not Yet Open)	PB NORTH SLOPE LLC	(917) 607-4967
15 Park Place Bronxville, NY 10708-4129	PLEASANTVILLE PLAYA LLC	(914) 652-7181
CPW, NY (Outlet Not Yet Open)	EARTH BOWLS LLC	(917) 231-5259
Lagrangeville, NY (Outlet Not Yet Open)	PB23, INC.	(914) 456-6764
331 Rockaway Turnpike Lawrence, NY 11559	EARTH BOWLS LLC	(917) 231-5259
Long Beach, NY (Outlet Not Yet Open)	HAPPEL PB LLC Matthew Happel	(201) 213-0679
Manhasset, NY (Outlet Not Yet Open)	Keith Devito & Danny Volk	(917) 273-9699
2259 Merrick Road Merrick, NY 11566	Keith Devito & Danny Volk	(516) 208-7007
347 B NY-25A Miller Place, NY 11764	Kenneth Ruben	(631) 828-6444
8133 Fashion Drive Nanuet, NY 10954	PB NANUET LLC	(845) 627-5292
299 7 th Ave (FIT) New York, NY 10001	CALDERONE HOSPITALITY LLC	(212) 933-4160
230 Park Ave (Grand Central) New York, NY 10169	EARTH BOWLS LLC	(646) 747-0813
570 Lexington Ave (Urbanspace) New York, NY 10022-6837	EARTH BOWLS LLC	(917) 421-9349
108 MacDougal Street New York, NY 10012	EARTH BOWLS LLC	(212) 674-2695
Mercedes Club NYC 550 W 54 th Street New York, NY 10019-5978	EARTH BOWLS LLC	(646) 979-3050
2327 Broadway West 84 th Street New York, NY 10024 (UWS)	EARTH BOWLS LLC	(646) 558-7222
1 New York Plaza (Wall Street) New York, NY 10004-1901	PLAYA BOWLS 1 NY PLAZA LLC	(917) 231-5259
100 Pearl Street (FIDI) New York, NY 10004	EARTH BOWLS LLC	(480) 476-7550
124 E 14th Street (Union Square) New York, NY 10003	EARTH BOWLS LLC	(917) 231-5259
1350 Broadway (Bryant Park) New York, NY 10018 (Outlet Not Yet Open)	EARTH BOWLS LLC	(917) 231-5259
1471 2 nd Ave (Upper East Side) New York, NY 10028	EARTH BOWLS LLC	(646) 558-3292
487 6 th Ave (Greenwich Village) New York, NY 10011	EARTH BOWLS LLC	(212) 674-2695
1291 Lexington Avenue New York, NY 10028 (Outlet Not Yet Open)	1291 Lexington Avenue LLC	(917) 626-3631
1130 Madison Avenue, New York, NY 10028 (Outlet Not Yet Open)	1130 Madison Avenue LLC	(917) 626-3631
83 Murray Street	PB TRIBECA – WTC LLC	(917) 607-4967



	New York, NY 10007 (Outlet Not Yet Open)		
	2841 Broadway (Morningside Heights) New York, NY 10025 (Outlet Not Yet Open)	2841 BROADWAY LLC	(917) 626-3631
	50 Fulton Street New York, NY 10038 (Outlet Not Yet Open)	Mona Kaplan	(516) 448-4090
	Penn Station New York, NY 10119 (Outlet Not Yet Open)	Mona Kaplan	(516) 448-4090
	Times Square New York, NY 10036 (Outlet Not Yet Open)	Mona Kaplan	(516) 448-4090
	465 Bedford Road Pleasantville, NY 10570-2932	PLEASANTVILLE PLAYA LLC	(914) 495-3438
	Poughkeepsie, NY (Outlet Not Yet Open)	PB23, INC.	(914) 456-6764
	18 Purdy Ave Rye, NY 10580	PLAYA OF RYE INC	(914) 305-4244
	2655 Richmond Avenue Staten Island, NY 10314	Cathy Gallo & Anne Sears	(718) 608-9090
	1275 Woodrow Road Staten Island, NY 10309	Cathy Gallo & Anne Sears	(718) 608-9090
	Stony Brook, NY (Outlet Not Yet Open)	KENNETH SNOW ENTERPRISES INC. Kenneth Ruben	(631) 873-7883
	3 Main Street Tarrytown, NY 10590-1413	PB TARRYTOWN, INC.	(914) 418-5483
	245 Main Street White Plains, NY10601 (Outlet Not Yet Open)	Steve Dimovski, Jarod Jackette & John Mandarino	(914) 355-1761
	Woodbury Common Premium Outlets Woodbury, NY 11797 (Outlet Not Yet Open)	PB Woodbury Commons, Inc. Dan Feder	(845) 323-6900
NC	Chapel Hill, NC (Outlet Not Yet Open)	David Eynon, Jeffrey Giuliano, & Jon Dickens	(303) 946-2053
	Durham, NC (Outlet Not Yet Open)	Fortune Favors the Bowled LLC	(303) 946-2053
	Raleigh 1, NC (Outlet Not Yet Open)	Fortune Favors the Bowled LLC	(303) 946-2053
	Raleigh 2, NC (Outlet Not Yet Open)	Fortune Favors the Bowled LLC	(303) 946-2053
OH	1952 North High Street (OSU) Columbus, OH 43101-1165	AMAZE BOWLS, LLC	(614) 641-4800
	2193 Quarry Trails Drive Columbus, OH43204 (Outlet Not Yet Open)	AMAZE BOWLS, LLC	(614) 561-4813
	5765 N Hamilton Road (New Albany) Columbus, OH 43054	AMAZE BOWLS, LLC	(614) 561-4813
	Dayton, OH (Outlet Not Yet Open)	Open Shot LLC	(973) 231-6229
	Dublin, OH (Outlet Not Yet Open)	AMAZE BOWLS, LLC	(614) 561-4813
	Springboro, OH	Open Shot LLC	(973) 231-6229



	(Outlet Not Yet Open)		
PA	310 E 3 rd Street Bethlehem, PA 18015-1310	PLAYA BOWLS BETHLEHEM LLC	(610) 419-4294
	3525 Gettysburg Road, Unit 1 Camp Hill, PA 17011 (Outlet Not Yet Open)	Brooke Butler-Wagner	(223) 336-4188
	30 N Hanover Street Carlisle, PA 17013	MI LEGADO LLC	(223) 336-4188
	3045 Center Valley Pkwy, Suite 118 Center Valley, PA 18034	BOWLS OF STEEL LLC	(610) 217-0597
	22 North Main Street Doylestown, PA 18901-4341	DEEZ BOWLS LLC	(484) 408-5209
	3770 Dryland Way (Nazareth) Easton, PA 18045-8353	James Dale & Stephen Sheriff THE BLACKBEARD GROUP LLC	(484) 387-0470
	110 Lincoln Highway Fairless Hills, PA 19030-1011	BERGEN SUN & STARS LLC	(267) 202-6442
	2615 Linglestown Road Harrisburg, PA 17710 (Outlet Not Yet Open)	Brooke Butler-Wagner	(223) 336-4188
	2913 S Eagle Road Newtown, PA 18940-1554	BERGEN SUN & STARS LLC	(215) 550-6472
	4 Airport Square (Montgomeryville) North Wales, PA 19454	James Dale & Blackbeard LLC Stephen Sherriff	(215) 589-4878
	Northern Liberties, PA (Outlet Not Yet Open)	James Dale & The Blackbeard Group LLC	(267) 374-3194
	1804 Chestnut Street (Philly) Philadelphia, PA 19103-4903	BOWLS OF STEEL III LLC	(484) 538-8386
	1932 Liacouras Walk (Temple U) Philadelphia, PA 19122	PB TEMPLE LLC	(267) 639-3548
	482 East Calder Way (Penn State) State College, PA 16801-5667	PB STATE COLLEGE LLC	(814) 954-5139
	1609 N Main Street, Suite 1101 Warrington, PA 18976	BOWLS OF STEEL II LLC	(215) 435-9947
	150 E Lancaster Ave (Villanova) Wayne, PA 19087-4142	BIG BOWLS LLC	(484) 580-2157
	22 S High Street West Chester, PA 19382-3225	STOKED LIFE LLC	(484) 887-8708
SC	429 King Street Charleston, SC 29403-6232	PBSC, LLC	(843) 202-0079
	Greenville, SC (Outlet Not Yet Open)	PB UPSTATE SC, LLC	(803) 404-1001
	766 S Shelmore, Suite 201 Mount Pleasant, SC 29464	PBSC2, LLC	(843) 388-5394
TX	22706 US HWY N 281, Suite 104 San Antonio, TX 78258	Dipesh Patel	(210) 257-8564
	9702 Texas 151 HWY San Antonio, TX 78251 (Outlet Not Yet Open)	Dipesh Patel	(228) 424-2609
VA	2910 District Ave #168 Fairfax, VA 22031-2284	JDACAI LLC	(703) 854-1688
	Lynchburg, VA (Outlet Not Yet Open)	Campbell Bowls LLC	(704) 941-1826
	1820 Discovery Street Reston, VA 20190-5606	JDACAI RESTON LLC	(571) 926-9656



	Roanoke, VA (Outlet Not Yet Open)	Campbell Bowls LLC	(704) 941-1826
	Williamsburg, VA (Outlet Not Yet Open)	James J. Golini	(609) 491-6473
WA, D.C.	4857 Massachusetts Avenue NW, Washington, DC 20016 (Outlet Not Yet Open)	JDACAI Holdings LLC	(303) 946-2053

** Transferred Locations

FRANCHISEES WHO HAVE LEFT THE SYSTEM (January 1, 2022 to December 31, 2022)			
State	Business Location	Franchisee	Phone Number
FL	Outlets Acquired by Corporate (Boca Raton, Deerfield Beach, Fort Lauderdale, FL)	Nick Fuculli	(732) 804-0404
NJ	Outlet Acquired by Corporate (Marlboro, NJ)	Rachele Moscato	(732) 245-2578
PA	16 North 3 rd Street Easton, PA 18042	Jim Dale	(267) 374-3194





**Exhibit E to the
Playa Bowls Franchise Disclosure Document**

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TABLE OF CONTENTS TO OPERATIONS MANUAL

Playa Bowls



Operations Manual

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**Exhibit F to the
Playa Bowls Franchise Disclosure Document**

STATE SPECIFIC ADDENDA



STATE SPECIFIC ADDENDA

CALIFORNIA APPENDIX

1. California Business and Professions Code Articles 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Development Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement and Multi-Unit Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement and Multi-Unit Development Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Article 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker 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.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The Franchise Agreement and Multi-Unit Development Agreement require binding arbitration. The arbitration will occur in New Jersey with the costs being borne equally by franchisor and franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Article 20040.5, Code of Civil Procedure Article 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.
7. The Franchise Agreement and Multi-Unit Development Agreement require application of the laws of New Jersey. This provision may not be enforceable under California law.
8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. 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.
10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Article 1671, certain liquidated damages clauses are unenforceable.
11. OUR WEBSITE, www.playabowls.com, 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



**CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT
AND AREA DEVELOPMENT AGREEMENT**

No disclaimer, questionnaire, clause or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be constructed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____
_____.

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____



**ADDENDUM TO THE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CONNECTICUT**

1. Item 3 “Litigation,” is supplemented by the addition of the following:

A. Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

B. Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the 10 year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

C. Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

D. Neither Company nor any person identified in Item 2 above 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) suspending or expelling these persons from membership in the association or exchange.

2. Item 4 “Bankruptcy,” is supplemented by the addition of the following:

No entity or person listed in Items 1 and 2 of this Disclosure Document has, at any time during the previous 10 fiscal years (a) filed for bankruptcy protection, (b) been adjudged bankrupt, (c) been reorganized due to insolvency, or (d) been a principal, director, executive officer or partner of any other person that has so filed or was adjudged or reorganized, during or within one year after the period that the person held a position with the other person.

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract be canceled.

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DISCLOSURES REQUIRED BY CONNECTICUT LAW



The State of Connecticut 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.

BUSINESS OPPORTUNITY DISCLOSURE

The following business opportunity disclosure is provided by Playa Bowls Franchisor, LLC a registered business in the State of Connecticut.

Disclosure Document is dated: April 28, 2023

FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND MULTI-UNIT DEVELOPMENT AGREEMENT ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

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

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

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the



inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

FRANCHISEE:

By: _____
Name: _____
Title: _____

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____



ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee’s exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

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

FRANCHISEE:

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____



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

This will serve as the State Addendum for the State of Maryland for Playa Bowls Franchisor LLC's Franchise Disclosure Document.

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:

- A. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- B. A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- C. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
- D. The Franchise Agreement and Multi-Unit Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).
- E. The Franchise Agreement and Multi-Unit Development Agreement provide that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Playa Bowls Franchisor LLC's Franchise Agreement (the "Franchise Agreement") and, if Franchisor and Franchisee both sign the Playa Bowls Franchisor LLC Multi-Unit Development Agreement (the "Development Agreement"), as follows:

- 1. The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.
- 2. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- 3. Section 19 in the Franchise Agreement and Multi-Unit Development Agreement are amended to state: A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- 4. Article 18.I. of the Franchise Agreement, under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to Article 18.I. of the Franchise Agreement:



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

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

5. 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 are met independently without reference to this amendment.

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

This will serve as the State Addendum for the State of Maryland for Playa Bowls Franchisor LLC's Multi-Unit Development Agreement. The amendments to the Multi-Unit Development Agreement included in this addendum have been agreed to by the parties.

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

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

3. Section 19 in the Franchise Agreement and Multi-Unit Development Agreement are amended to state: A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Article 18.I. of the Franchise Agreement, under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to Article 18.I. of the Franchise Agreement:

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

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

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 are met independently without reference to this amendment.

[SIGNATURE PAGE TO FOLLOW]



The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____



DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (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 this 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 five 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 six 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) 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.

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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
Michigan Department of Attorney General
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567



ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document and Franchise Agreement and Multi-Unit Development Agreement as follows:

1. Item 13 of the Disclosure Document and Article 9 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document, Articles 3 and 17 of the Franchise Agreement and Article 9 of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the Disclosure Document, Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

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

4. Item 17 of the Disclosure Document, Articles 3 and 14 of the Franchise Agreement and Article 11 of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Article 19.10 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Article 19 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.



8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of \$30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement are hereby amended accordingly.

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

FRANCHISEE:

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____



ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

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 G OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK, 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.



3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. 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.

5. 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 Articles 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

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

[SIGNATURE PAGE TO FOLLOW]



The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____



ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Development Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Articles 3 and 14 of the Franchise Agreement and Article 11 of the Multi-Unit Development Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Article 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 10 of the Franchise Agreement and Article 12 of the Multi-Unit Development Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Article 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement which require jurisdiction of courts in Monmouth County, New Jersey, are deleted.

6. Item 17(w) of the Disclosure Document, Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Article 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Article 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

[SIGNATURE PAGE TO FOLLOW]



The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____



**ADDENDUM TO THE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND**

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

A. The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 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 the Rhode Island Franchise Investment Act.

B. Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

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

FRANCHISEE:

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____



ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

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

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

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

Pursuant to Article 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.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____



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

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

RCW 19.100.180 may supersede the 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.

In Attachment 7 (Franchise Acknowledgment Statement) to the Franchise Agreement, acknowledgment statement 5 is hereby amended to remove the words "or relied upon" and acknowledgment statement 12 is hereby deleted in its entirety.

Section 21.4 of the Multi-Unit Development Agreement is hereby deleted in its entirety.

Attachment 1 (Certification by Multi-Unit Developer) to the Multi-Unit Development Agreement is hereby amended by deleting the following statement from the first sentence thereof:



“; and the undersigned further certifies that he/she has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated “Playa Bowls” Shops, except as may be included in Item 19 of the Franchise Disclosure Document heretofore provided to Multi-Unit Developer.”

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____

_____.

FRANCHISEE:

FRANCHISOR:

PLAYA BOWLS FRANCHISOR LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____





**Exhibit G to the
Playa Bowls Franchise Disclosure Document**

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



LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

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

State	State Agency	Agent for Service of Process
CALIFORNIA	Department of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 2101 Arena Boulevard Sacramento, CA 95834 1-866-275-2677	Department of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 2101 Arena Boulevard Sacramento, CA 95834 1-866-275-2677
CONNECTICUT	Connecticut Banking Commissioner Department of Banking Securities & Business Investment Division 260 Constitutional Plaza Hartford, CT 06103	Banking Commissioner Department of Banking Securities & Business Investment Division 260 Constitutional Plaza Hartford, CT 06103
FLORIDA	Division of Consumer Services Attn: Business Opportunities 2005 Apalachee Parkway Tallahassee, FL 32399	
HAWAII	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Office of Attorney General Franchise Bureau 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Indiana Securities Division Franchise Section 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360



State	State Agency	Agent for Service of Process
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building P.O. Box 30213 Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce Securities Division 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce of Minnesota Department of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	Office of Securities Commissioner 600 East Boulevard, 5th Floor Department 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Department 600 East Boulevard Avenue, 5th Floor Department 414 Bismarck, ND 58505 (701) 328-4712
RHODE ISLAND	Department of Business Regulation Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903 (401) 462-9585	Director of Department of Business Regulation
SOUTH DAKOTA	Franchise Office Division of Securities 910 E. Sioux Avenue Pierre, SD 57501 (605) 773-3563	Director, Division of Securities Department of Commerce & Regulation 445 East Capitol Avenue Pierre, SD 57501
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8700	Securities Administrator Washington Department of Financial Institutions 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Franchise Office Wisconsin Securities Commission Madison, WI 53701 (608) 266-8559	Wisconsin Commissioner of Securities 345 W Washington Avenue Madison, WI 53703





**Exhibit H to the
Playa Bowls Franchise Disclosure Document**

FORM OF GENERAL RELEASE



FORM OF GENERAL RELEASE

THIS AGREEMENT (“Agreement”) is made and entered into this day of _____, by and between Playa Bowls Franchisor LLC, a New Jersey limited liability company having its principal address at 803 Ocean Avenue, Belmar, New Jersey 07719 (the “Franchisor”), and _____, a _____ with a principal address at _____ (hereinafter referred to as “Releasor”), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises, covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. New Jersey law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys’ fees and costs incurred therein, and said action must be filed in the State of New Jersey.



6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

[The following additional language should be used with Washington franchisees]

This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws nor is it intended to relieve RELEASOR, directly or indirectly, from liability imposed by the Washington Franchise Investment Protection Act.

The parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

(Name)

PLAYA BOWLS FRANCHISOR LLC:

By: _____
Name: _____
Title: _____



State Effective Dates

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

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

<u>Effective Dates</u>	
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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





**Exhibit I to the
Playa Bowls Franchise Disclosure Document**

RECEIPTS





Playa Bowls Franchisor, LLC
RECEIPT

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

If Playa Bowls Franchisor LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Playa Bowls Franchisor LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C., 20580, and to your state authority listed on Exhibit G.

The Issuance Date of this Disclosure Document is: April 28, 2023

The franchise sellers for this offering are:

Name	Principal Business Address	Telephone Number
Robert Giuliani	197 State Route 18, Suite 202N, East Brunswick, NJ 08816	(732) 257-8604
Abby Taylor	197 State Route 18, Suite 202N, East Brunswick, NJ 08816	(732) 257-8604
Gary Moss	197 State Route 18, Suite 202N, East Brunswick, NJ 08816	(732) 257-8604
Danielle Mendoza	197 State Route 18, Suite 202N, East Brunswick, NJ 08816	(732) 257-8604

I received a Disclosure Document issued on April 28, 2023 that included the following exhibits:

A. Financial Statements
B. Franchise Agreement with Attachments
C. Multi-Unit Development Agreement with Attachments
D. List of Franchisees and Franchisees Who Have Left the System
E. Table of Contents of Operations Manual
F. State Specific Addenda
G. List of State Administrators and Agents for Service of Process
H. Form of General Release
I. Receipts

_____	_____	_____
Date	Print Name	Signature

_____	_____	_____
Date	Print Name	Signature

Please sign this copy of the receipt, date your signature, and return it to Playa Bowls Franchisor, LLC, 197 State Route 18, Suite 202N, East Brunswick, New Jersey 08816.





Playa Bowls Franchisor, LLC
RECEIPT

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

If Playa Bowls Franchisor LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Playa Bowls Franchisor LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C., 20580, and to your state authority listed on Exhibit G.

The Issuance Date of this Disclosure Document is: April 28, 2023

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Name	Principal Business Address	Telephone Number
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Gary Moss	197 State Route 18, Suite 202N, East Brunswick, NJ 08816	(732) 257-8604
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G. List of State Administrators and Agents for Service of Process
H. Form of General Release
I. Receipts

_____	_____	_____
Date	Print Name	Signature

_____	_____	_____
Date	Print Name	Signature

Please sign this copy of the receipt, date your signature, and return it to Playa Bowls Franchisor, LLC, 197 State Route 18, Suite 202N, East Brunswick, New Jersey 08816.

