FRANCHISE DISCLOSURE DOCUMENT

Monkee's Franchising, LLC
a North Carolina limited liability company
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We offer franchises for the operation of MONKEE'S® retail stores ("Stores"), which sell high-quality women's shoes, clothing, accessories and ancillary products to the general public.

The total investment necessary to begin operation of a MONKEE'S franchised business is $296,820 to $534,874. This includes, for a new franchise, $60,000 that must be paid to us as an initial franchise fee, and $2,635 to $3,751 that must be paid to us for your initial supply of MONKEE'S branded items and packaging.

If you are already a MONKEE'S franchisee and are buying an additional MONKEE'S franchise, the initial franchise fee will be $30,000.

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

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Christine Storch, our Director of Franchise Campaigns and Marketing Strategy, at christine@shopmonkees.com or (866) 307-1294.

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 Buyinga Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 14, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit C.
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 Monkee's business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Monkee's franchise?	Item 20 or Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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 mayrequire 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 expensivethan 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 tocontinue to operate your franchise business.

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

Some States Require Registration

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

Your state may also 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 requires you to resolve disputes with the franchisor by arbitration only in North Carolina. Out-of- State arbitration may force you to accept a less favorable settlement for disputes.It may also cost more to arbitrate with franchisor in North Carolina than in your own state.
2. **Sales Performance Required**. You must retain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

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

The "Franchisor" is Monkee's Franchising, LLC. To simplify this Franchise Disclosure Document, we will use certain terms in order to identify the parties. "We", "us", the "Company" or "MONKEE'S" mean Monkee's Franchising, LLC, the franchisor. "You" or "Franchisee" means the person (including any individual or legal entity such as a corporation, limited liability company, partnership or other legal entity and its owners, members, partners, directors, officers, and managers) or owners, individually and collectively, who buy the franchise. Our agents for service of process and their respective principal business addresses are listed in **Exhibit D**, attached to this Franchise Disclosure Document.

On May 2, 2012, we were organized as a North Carolina limited liability company. Our principal business address is 2522 Reynolda Road, Winston-Salem, North Carolina 27106. We conduct business in the names, Monkee's Franchising, LLC or MONKEE'S. Our founders identified in Item 2 have operated businesses selling high-quality ladies' shoes, clothing and other accessories and ancillary products.

We began offering franchises for retail stores selling high-quality ladies' shoes, clothing, accessories and ancillary products under the MONKEE'S name ("MONKEE'S Store(s)" or "Store(s)") on June 1, 2012. We did not engage in any business prior to such date. Accordingly, we have never offered franchises in any other line of business.

Our Predecessor

Our predecessor is Monkee's, LLC, a North Carolina limited liability company formed on August 2, 2000, and having its principal place of business at 2522 Reynolda Road, Winston-Salem, North Carolina 27106 ("MLLC"). Between August 2, 2000 and March 31, 2011, MLLC sold licenses for the operation of MONKEE'S retail stores similar to those being franchised. After consultation with successor counsel, it was discovered that those license sales may have actually been sales of franchises under the Federal Trade Commission Franchise Rule's definition of a franchise. Consequently, from April 1, 2011 until we were organized, MLLC sold franchises for the operation of MONKEE'S retail stores similar to those being franchised. Three franchises were sold during that time, and all three of those MLLC franchise agreements were assigned to us. Accordingly, MONKEE'S sells franchises while MLLC does not. MLLC has only overseen the operations of those retail outlets sold under the earlier license agreements. MLLC is our affiliate and our subsidiary. We have no parents.

As of the date of this Franchise Disclosure Document, there remains only one business ("Associate Stores") which operate MONKEE'S retail stores under license agreements from MLLC. An informational list of Associate Stores with contact information is attached in this Franchise Disclosure Document as **Exhibit C**. The Associate Stores sell similar high-quality goods as MONKEE'S franchise stores.

A principal of MONKEE'S owns a North Carolina corporation named Monkee's and the Bamboo Hanger, Inc. ("MBH"). MBH currently operates one store under a royalty-free license granted by us. The store is located in Wilmington, North Carolina. Another principal of MONKEE'S is the majority owner of Shoes of the Village, Inc., a North Carolina corporation ("SOV") which owns and operates a store under a similar license in Winston-Salem, North Carolina. Neither MBH nor SOV sell franchises in any line of business, or provide any goods and services to our franchisees.

The Franchise Offered

We offer franchises for the establishment, development and operation of MONKEE'S Stores, which sell fashionable, high-quality ladies' shoes, clothing, accessories and ancillary products directly to consumers. The strength of the MONKEE'S franchise system is in its brand, which is strongly associated in the states in which our franchises and Associate Stores operate with fashionable, high-quality merchandise and customer service in an upscale boutique setting.

We offer you the right to own and operate a MONKEE'S Store at a location we approve and in compliance with our Franchise Agreement (the "Franchise Agreement"), a copy of which is attached to this disclosure document as **Exhibit B**. In addition, we provide assistance with site selection, store designand set-up, as well as advertising and marketing materials, training programs and assistance in your retail operations, including strategies to leverage the brand, improve operational efficiencies and reduce your costs.

Your Store will be expected to carry products from signature designers and we will assist you to determine other merchandise to assemble an effective product mix for your particular market. Stores operate under a system we developed to promote and enhance the MONKEE'S brand, including policies, procedures and techniques designed to enable franchisees to compete effectively in the upscale women's apparel market (the "System") that are detailed in a confidential operations manual, which we update from time to time (the "Manual"). Your Store will use our proprietary trademarks, service marks and commercial symbols, including the MONKEE'S® trademark.

The market for the products and services provided by MONKEE'S Stores is established. Nonetheless, the fashion retail market, including high-end ladies' shoes and clothing, is highly competitive. Your competitors include national department store chains and smaller independently ownedand operated retailers, whose merchandise is available in stores and online. Like all retail operations, our business tends to be seasonal with the busiest periods occurring at the beginning of each spring and fall fashion season and in the fourth quarter, reflecting shopping patterns associated with the December holiday season. We seek to distinguish ourselves from our competitors through our product selection, exceptional customer service and the unique MONKEE'S brand.

The retail industry is subject to regulation under laws that apply to all businesses, generally; however, we believe that there are no regulations specific to the operation of a MONKEE'S Store. You will need to comply with all federal, state, municipal and local laws applicable generally to retail businesses and should investigate and be familiar with them.

ITEM 2
BUSINESS EXPERIENCE

Managing-Member and President: Deirdre H. Shaw

Ms. Shaw has been our co-owner and co-manager in Winston-Salem, North Carolina from our formation in May 2012. She was also co-owner and co-manager of MLLC from its formation in August 2000 until May 2, 2012 when MLLC became our subsidiary, also in Winston-Salem, North Carolina. While MLLC is now owned by us, Ms. Shaw continues as co-manager of MLLC. Ms. Shaw is also the owner of MBH, which has operated a licensed store in Wilmington, North Carolina since June 1995. She has served as President since March 2020.

Managing-Member: Brenda M. Maready

Ms. Maready has been our co-owner and co-manager in Winston-Salem, North Carolina from our formation in May 2012. She was also co-owner and co-manager of MLLC from its formation in August 2000 until May 2, 2012, when MLLC became our subsidiary, also in Winston-Salem, North Carolina. While MLLC is now owned by us, Ms. Maready continues as co-manager of MLLC. Ms. Maready is also the owner of SOV, which has operated a licensed store in Winston-Salem, North Carolina since May 1997.

Vice President of Internal Operations: Brenn Kennedy

Ms. Kennedy has served as our Vice President of Internal Operations in Winston-Salem, NC since August 2021. She has served as a buying and retail consultant for us since May 2012. She has also served as the Vice President of SOV, which has operated a licensed store in Winston-Salem, North Carolina since May of 1997.

Vice President of Franchise Development: Pete Green

Mr. Green has served as our Vice President of Franchise Development since May 2024, in Georgetown, South Carolina. He has also co-owned Lowcountry Movement since September 2021 in Georgetown, South Carolina. Mr. Green has been a realtor affiliated with Peace Sotheby's International Realty since January 2024 in Pawley's Island, South Carolina. Prior to this, Mr. Green was President of Snapperhead Tools, Inc. from September 2004 through May 2021 in Charlotte, North Carolina.

Director of Franchising, Real Estate and Design: Michelle Myers

Ms. Myers has served as our Director of Franchising, Real Estate and Design in Winston-Salem, North Carolina since November 2021; providing expertise in the areas of franchise operations, site selection, and store design. She was our Director of Operations and Support Services from January 2020 to November 2021. Ms. Myers was also our Executive Office Manager from March 2019 to January 2020. From April 2015 through February 2019, Ms. Myers served as Lead Lease Administrator for Novant Health, Inc. in Winston-Salem, North Carolina.

Director of Franchise Campaigns and Marketing Strategy: Christine Storch

Ms. Storch has served as our Director of Franchise Campaigns and Marketing Strategy since May 2024 in Winston-Salem, North Carolina. Previously, Ms. Storch served as Market Development Manager at Workplace Architecture + Design in Winston-Salem, North Carolina from 2022 to May 2024. In 2020, Ms. Storch founded Dashing Trappings, LLC, a Millennial-focused online furnishings and accessories store, and continues to serve in this role in Winston-Salem, North Carolina. Ms. Storch is also founder of Dashing Social Medial, LLC in Winston-Salem, North Carolina and was in business from 2013-2021.

Director of Buying and Retail: Teri Pantelakos

Ms. Pantelakos has served as our Director of Buying and Retail in Winston-Salem, North Carolina since August of 2021. From April 2016 to March 2020, Ms. Pantelakos served as the Director of Retail Merchandising and Buying for Joya in St. Kitts, West Indies. Ms. Pantelakos ran a fashion blog, Trending Teri, in Fayetteville, North Carolina from September 2014 through April 2016.

ITEM 3
LITIGATION

Monkee's, LLC and Monkee's Franchising, LLC, Plaintiffs, vs. South of Your Ankles in Davidson, LLC, Defendant, File No. 18 CVS 3698, filed on July 11, 2018 in the General Court of Justice Superior Court Division, in Forsyth County, North Carolina. The Defendant was party to a license agreement with Monkee's predecessor, Monkee's, LLC, entered into on May 16, 2007. Monkee's, LLC had terminated the Defendant's license agreement effective as of December 31, 2018, believing such license agreement was terminable at will. The Plaintiffs filed this action requesting the court issue a Declaratory Judgment that such termination was proper. Before the Defendant answered Plaintiffs' Complaint, the parties entered into a settlement agreement providing that Defendant's license would terminate no later than December 31, 2018, and that Defendant could operate independent retail stores under a different trademark selling shoes, clothing, and ancillary products thereafter. Royalties were adjusted to $20.24 per day from July 1, 2018, until termination of the license. There was no additional consideration paid under the settlement agreement other than the adjusted royalty payments. The parties agreed not to compete with each other for three years.

There is no other litigation that must be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

The initial franchise fee is $60,000 for a new franchisee. Such franchise fee is nonrefundable and is due and fully earned when we sign the Franchise Agreement. If you are already a MONKEE'S franchisee and are purchasing an additional MONKEE'S franchise, the franchise fee will be $30,000. There are additional fees of $2,635 to $3,751 that must be paid to us for your initial supply of MONKEE'S branded items and packaging. These additional fees are non-refundable.

ITEM 6
OTHER FEES

Type of fee [(1)]	Amount	Due Date	Remarks
Royalty [(2), (3)]	5% of Gross Receipts	Payable on or before 15th of each month in arrears	Based on Store's Gross Receipts in prior month
Brand Fund [(3), (4)]	2% of Gross Receipts	Same as Royalty Fee	Used for local, regional and national marketing and promotional activities
Additional Advertising Fees	Cost of fair allocation of program instituted among all franchises	Monthly or quarterly, depending on how circumstances develop	One or more new marketing programs could be instituted in the future to meet competition or to otherwise maximize revenues. This could result in additional fees due to MONKEE'S after reasonable advance notice.

Type of fee [1]	Amount	Due Date	Remarks
Additional Training	$250 per day plus travel, lodging, and per diem expenses for our personnel (Est. $50/day/person for per diem expenses)	Prior to additional training	Charged to your franchise if you request or require additional training after your initial training
Taxes [5]	In addition to monthly Royalty Fees, we have the right to collect from you the cost of all sales, excise, trademark, franchise, value added or similar taxes imposed on us on account of collection of any fees or payments that we receive from you as a result of your operation of the Store	Upon demand	Income tax or any optional alternative to income tax are not among taxes that would be collected
Late Fees [6]	Fee equal to the greater of $100 or 4% of amount of unpaid Royalty and Brand Fund fees, as applicable	Due for each month in which you do not pay the Royalty and Brand Fund fees when due	
Renewal of Franchise Agreement [7]	$500	Upon execution of our then-current form of Franchise Agreement	
Non-transfer ownership change fee[8]	$1,500	Prior to transfer	Transfer of a smaller than controlling interest that does not change control of the franchise
Assignment or Transfer	You must pay our then current transfer fee, currently $7,500	Prior to transfer	You must pay our then-current transfer fee when you sell your franchise
Change of Location [9]	Cost of our involvement in Store relocation process	Upon demand by MONKEE'S	
Sales Fee	25% of our then current franchise fee	Prior to sale	Payable only in the event of your death or disability and your heirs or representatives request us to act as a non-exclusive agent for the sale of your franchise
Audit [10]	Cost of Audit	Payable within 30 days of billing at the conclusion of audit, if the audit reveals an underpayment of 3% or more of fees owed to us in a given month	Costs include reasonable legal and accounting costs, travel expenses, room and board and wage expenses; the amount underpaid is payable upon demand and incurs interest from the date due until the date paid at 1.5% per month or the maximum rate allowed by applicable law
Audit Non-Prepared Fee	$500 and cost of audit if rescheduled	Upon demand by MONKEE'S	Payable if required documentation is not available on audit date

Type of fee [(1)]	Amount	Due Date	Remarks
Incorporation Fee	$500	Upon demand by MONKEE'S	If you (an individual) seek our required consent to an assignment of your franchise to a legal entity controlled by you (corporation, limited liability company, partnership, etc.) in accordance with Section 14.3(i) of the Franchise Agreement
Management Fee	Our direct and indirect costs incurred in managing your MONKEE'S franchise	As incurred	Payable in the event that we elect to manage your franchise following the death or disability of you or your Controlling Owner
Indemnification	Will vary under the circumstances	As incurred	You have to indemnify us, our affiliates, officers, agents and employees against all losses resulting from a violation of your Franchise Agreement by you and against all claims made by third parties resulting from the operation of your franchise
Insurance [(11)]	Amount of unpaid premiums	Upon demand by MONKEE'S	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you
Start-up and Administration Costs of New Marketing Programs [(12)]	Franchisee's share of cost of System's new marketing programs (i.e., internet site enhancements, updated and more robust loyalty program, frequent purchaser or gift card program), if any such programs are implemented	Monthly or quarterly	If we determine that such programs will benefit the System along with individual Stores, we will require our franchisees to reasonably cooperate with us to fairly allocate funding for such programs, which may result in an additional fee payable to us upon advance notice

Note 1. All fees are imposed by and payable solely to us. All fees are non-refundable.

Note 2. Stores owned by our principal owners do not pay a Royalty.

Note 3. The Franchise Agreement defines "Gross Receipts" as "all revenue Franchisee derives from operating the Store and any other approved methods of distribution for products of the type carried at the Store, whether from cash, check, credit and debit card, barter exchange, trade credit, Paypal® or other form of online payment, or other credit transactions, and also includes all proceeds from business interruption insurance, but (a) excludes all federal, state, and municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority, (b) excludes revenue Franchisee derives from selling or issuing MONKEE'S gift or loyalty cards (although revenue Franchisee derives from selling products to customers who use those cards for payment is included in Gross Receipts), (c) is reduced by the amount of any actual, documented

refunds and credits the Store in good faith gives to customers (if those amounts originally were included in calculating Gross Receipts), and (d) excludes interest income on bank deposits."

Note 4. Stores owned by our principal owners do not contribute to the Brand Fund. The Brand Fund is discussed in more detail in Item 11(3) below.

Note 5. See Franchise Agreement, Section 5.9.

Note 6. For each calendar month in which you fail to pay the Royalty and Brand Fund fees when due, you will owe us an administration fee equal to the greater of $100 or 4% of the unpaid Royalty and Brand Fund contributions.

Note 7. See Franchise Agreement, Section 12.1(g).

Note 8. This fee does not apply if transferring 50% or more of ownership interest. This fee also does not apply if the sale of less than 50% of ownership interest would transfer controlling interest of your franchise. (Example: A owns 49%, B owns 20% and C owns31%. Sale of C's 31% interest to B would effectively transfer controlling interest of the franchise to B. These situations would all be treated as a "transfer" and would be governed under Section 14.3 of the Franchise Agreement and would require payment ofa Transfer Fee.

Note 9. Any approved relocation shall be at your own expense. As a condition of relocation, at your own expense, you will be required to de-brand and de-identify the former location so that it is no longer associated with the MONKEE'S System, as well as upfit the new location as required under the then-current version of the Manual.

Note 10. The Audit fee may apply in addition to any late payment fee applicable in connection with the Royalty and Brand Fund fees.

Note 11. You must obtain and maintain certain types of insurance coverage, which are discussed in more detail in Item 8(3) below. If you fail to obtain and maintain insurance, we may immediately obtain or reinstate insurance on your behalf and you must promptly reimburse us for insurance, including any late payment charges imposed by the insurance company.

Note 12. See Franchise Agreement, Sections 6.5 and 9.2.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure [1]	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee [2]	$30,000 to $60,000	Lump Sum or Third-Party Financed	On Signing of Franchise Agreement	Us

Type of Expenditure [1]	Amount	Method of payment	When due	To whom payment is to be made
Real Estate [3]	$10,000 to $25,000 (Lease costs of approxi-mately $2,500 to $6,250 monthly plus security deposits of one month's rental, if applicable)	As Arranged	As Incurred	Property Owner/ Landlord
Leasehold Improvements [4]	$108,000 to $225,000	As Arranged	At Signing of Lease	Property Owner/ Landlord
Furniture, Fixtures, Equipment [5]	$29,500 to $39,500	As Arranged	At Time of Purchase	Various Suppliers
Signage [6]	$6,000 to $14,000	As Arranged	Before Opening	Various Suppliers
Insurance	$2,500 to $4,500	Lump Sum	Prior to Opening	Insurance Company
Grand Opening Advertising [7]	$5,000	As Arranged	Before Opening	Applicable Vendor
Computer System (Back Office Equipment and Technology) [8]	$3,000 to $4,000	As Arranged	At Time of Purchase	Applicable Supplier(s)
Point of Sale System [9]	One-time training fee of $500, plus payments of between $82 and $119 per month to lease the system and software.	As Arranged	As arranged	Pre-selected or Required Vendor
Opening Inventory [10]	$75,000 to $100,000	As Arranged	Before Opening	Various Suppliers
Opening Supplies of generic and MONKEE'S Branded Items and Packaging; Store Supplies [10]	$4,824 to $5,517	As Arranged	Before Opening	Us
Miscellaneous Opening Costs [11]	$1,000 to $3,000	As Arranged	Before Opening	Applicable Vendor

Type of Expenditure [1]	Amount	Method of payment	When due	To whom payment is to be made
Prepaid Expenses and Deposits [12]	$500 to $1,000	As Incurred	Before Opening	Utilities, phone companies, etc.
Training Expenses [13]	$750 to $2,500	As Incurred	Before Opening	Airlines, hotels, restaurants, etc. associated with your attendance at our training site in Winston-Salem, North Carolina
Additional Funds (3-months' worth) [14]	$20,000 to $45,000	As Incurred	As Incurred	Employees and Suppliers
Total (Estimated Initial Investment If Store Location is Leased)	$296,820 to $534,874			

Note 1. The fees and amounts in the Table above are not refundable from us. We do not offer or arrange for any financing for any of the fees and amounts in the Table above.

Note 2. The initial franchise fee is $60,000 for new franchisees. The initial franchise fee is $30,000 if you already own a majority interest in a MONKEE'S franchise and are purchasing a majority interest in an additional MONKEE'S franchise from us. If you are renewing the franchise for a renewal term, the renewal fee is $500. The fee is payable to us and is also described in Item 5.

Note 3. We estimate that you will need to lease premises of approximately 1,200 to 1,500 square feet for a Store. The size of the Store will be determined by the availability and cost of rental premises in a suitable shopping center location determined in accordance with our site selection criteria in the Manual, as well as by any requirements or restrictionsimposed by your landlord and the applicable local zoning board. Deposits or prepaid rent of one or two months may be required. Lease payments vary based upon location, size, whether the Store is to be enclosed or free standing and a variety of other factors.

Note 4. Leasehold improvements should be furnished by landlord. If you build the Store, the cost of the improvements will vary depending on the size, condition and location of the premises, price difference between various suppliers and contractors, shipping distances from suppliers and general economic conditions. Architectural and design construction costs may be incurred. All construction materials and fixtures must be in compliance with our specifications in the Manual. These costs are normally payable to third parties before the opening of the Store or in installments over a period of time, depending on the type of financing arrangement you are able to obtain. It is possible with initial construction of a site that leasehold improvement costs may be depreciated over the lease term within the monthly lease payments.

Note 5. Furniture, fixtures, and equipment, including décor and the look and feel of the Store, must be in compliance with our specifications in the Manual, and the MONKEE'S brand image. We will consult with you about outfitting the store. We or our designated designer will advise you on Store design, layout and décor. MONKEE'S requires you to consult with our designated designer on the base plan for your Store. This entails scaled and detailed proposed floor plans, millwork, recommended fixtures, and a recommended reflected ceiling plan (lighting layout). Implementation of any such design recommendations would be at your sole expense.

The cost of purchasing furniture, fixtures and equipment may vary as a result of price differences between suppliers and shipping distances from suppliers. Payment for these

items will typically be made before the opening of the Store or in installments over a period of time, depending on the type of financing arrangement you are able to obtain. We are unable to estimate the cost and terms of leasing items from independent third parties.

Note 6. The signage must conform to our specifications in the Manual. The cost of purchasing signs may vary as a result of price differences between suppliers, materials and shipping distances from suppliers. Payment for these items will typically be made before the opening of the Store.

Note 7. We require you to spend $5,000 on opening advertising to promote the new Store, as described in Item 11(3) below because opening advertising bears on the new Store's visibility to consumers and initial traffic to the Store.

Note 8. The estimated cost for the Back Office Equipment, Technology and Software, including a laptop and/or desktop computer with compatibility to operate the software identified in **Exhibit F** and support high-speed internet access, and a laser jet printer, is $3,000 to $4,000. Specifications for the Back Office Equipment and Technology are available in **Exhibit F** hereto and in the Manual. Payment for these items typically is made before the opening of the Store as agreed with the applicable vendor that you select. See also "Computer System" under Item 8(1) and Item 11(4).

Note 9. The hardware and software for the "point of sale" or POS system must be leased from Heartland Retail POS, or such other vendor as we select, at an estimated cost of $82 to $119 per month to such vendor depending on the number of selling stations you choose to have, plus payment of an initial training fee to such vendor of $500 at the time of setup. The total amounts set forth below include three months of lease payments, at $82 per month and $119 per month, respectively. Servicing of the POS system is included in the monthly lease fee. Specifications for the POS system are available in **Exhibit F** and in the Manual. See also "Computer System" under Item 8(1) and Item 11(4).

Note 10. The cost of opening inventory and other supplies and materials must be in compliance with our specifications and requirements. These items must conform to specifications, formulas and quality standards we establish and/or be purchased from approved suppliers (see Item 8(1) and Item 16). Clothing and accessories, inventory, and generic packaging and store supplies are purchased from third-party suppliers. MONKEE'S branded items and packaging are purchased from us, which initial supply will range from $2,635 to $3,751. Our Manual outlines our various requirements. Payment for these items typically is made before the opening of the Store.

Note 11. Miscellaneous costs and expenses, including local permit and license fees, employee compensation, employee training costs, telephone and internet expenses, and other normal and customary operational expenses are typically paid to third parties as incurred. You may also incur legal, accounting and real estate brokerage costs in connection with setting up the franchised business. For example, you may work with a lawyer and/or accountant to set up a new business entity, such as a corporation, to own and operate the franchised business to the extent that you do not already have such an entity in place and do not desire to operate the franchised business as a sole proprietorship. You may also wish to engage a real estate broker to help you locate suitable premises for the Store. Legal, accounting and real estate costs vary based on the location of the service provider, level of experience and complexity of the matter, and are payable to third parties as negotiated.

Note 12. Prepaid phone and utility deposits may vary considerably depending on the size and location of the Store. These costs and expenses are typically payable to third parties as

incurred.

Note 13. Reflects estimated costs of transportation, lodging, and per diem expenses in connection with initial training at MONKEE'S corporate offices and on-site at a store owned and operated by one of our principal owners.

These costs and expenses are typically payable to third parties as incurred. The range of this expense reflects differences in distance traveled and whether you fly or drive to training.

Note 14. Additional Funds: You will need capital to support ongoing expenses such as payroll, record-keeping, transportation, rentals, utilities, employee background checks, additional inventory and supplies, and additional advertisements to the extent these costs are not covered by sales revenue. This does not include sums necessary for living or personal expenses nor payments for debt service. New businesses often generate a negative cash flow. We estimate the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business which we calculate to be three months. This is only an estimate, however, and there is no assurance that additional capital will not be necessary during or after this start-up phase.

GENERAL

We have prepared these estimates based on our experience and that of our affiliate, Monkee's, LLC. Except as expressly indicated otherwise in the charts above, these estimates describe your initial cash investment up to the opening of your MONKEE'S franchise. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. Further, they do not include royalty amountspayable each month to us. You should not plan to draw income from the operation during the start-up and development stage of your Franchise, the actual duration of which will vary materially from Franchise to Franchise and cannot be predicted by us for your Franchise (and which may extend for longer than the three (3)-month "initial phase" described in Note 15 of the chart above). We cannot guarantee that you will not have additional expenses starting the business. You must have additional sums available, whether in cash or through a bank line of credit, or have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth andsuccess of your franchise, which in turn will depend upon factors such as the demographics, economic status of the persons in the area in which your MONKEE'S franchise is located, your ability to attract customers, and your ability to operate efficiently and in conformance with our procedures and methods of doing business, and competition.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

1. Approved Suppliers, Branded Supplies and Premiums

To maintain the high standards of quality and design associated with the Monkee's brand, we provide you with an approved list of designers from whom you will purchase clothing, shoes, and accessories for your Store but these are not currently the only approved suppliers. We are not an approved supplier, nor any persons affiliated with us. You are permitted to seek other suppliers in accordance with Monkee's brand and aesthetic. We will provide guidelines for your purchase of furniture, fixtures, and equipment so that your Store will have the proper feel and décor. We will provide a design team that will work with you to obtain the appropriate furniture, fixtures and equipment from a list of approved suppliers. We will furnish you with a list of generic and MONKEE'S branded packaging, boxes and bags and related products required to be used in operating the Store. You must purchase the MONKEE'S branded items and packaging from us which include cups, pens, beach

towels, and similar promotional items, as well as shopping bags, boxes, and tissue wrap. You must purchase generic retail packaging material from unaffiliated designated suppliers that we approve. Required purchases will represent 55% to 65% of your overall purchases in establishing your business and 50% to 70% of your overall purchases in operating your business. Through December 31, 2024, we received $295,158 in sales revenues from required purchases from us by franchisees, and $28,632 in sales revenues from required purchases from us by Associate Stores and sales to stores owned by our owners. We received $256,889 from sales to franchisees, and $26,121 from sales to Associate Stores and sales to stores owned by our owners, of generic packaging material and custom print products through December 31, 2024. Revenues from these required purchases amounted to approximately 14.3% of our total revenues of $4,233,776 for 2024.

If you desire to make purchases from asupplier that we have not approved, you must notify us in advance in writing of your desire to purchase from a supplier other than the designated supplier(s) and may submit a written proposal to us for consideration of the new supplier. Your proposal to approve a new supplier should include: (a) full, legal entity name and primary business address, including the address of any manufacturing facility; (b) a description of the supplier's available products or services, then-current pricing, including any shipping ordelivery costs or other applicable fees, (c) the business case for approving the new supplier, e.g., why doing business with the proposed new supplier instead of a supplier already approved for the System makes good business sense; and (d) several references of current customers of the supplier whom we can contact in order to assess the supplier's reputation for quality and reliability. You will provide us with any additional information we reasonably request in order to evaluate the quality, reliability, and business practices of the proposed supplier. In connection with our evaluation, we reserve the right to charge you afee, as then-provided in the Manual, for estimated costs incurred in traveling to and from, and conducting any on-site inspection at, a proposed supplier's facility. Once complete diligence information is available to us, we will complete our review and approve or disapprove your request within 30 days. We may decline your request to approve a supplier for any reason or if we believe that doing so is in the best interest of the System. We may revoke the approval of an approved supplier at any time by notice to all MONKEE'S Stores, which notice may be provided by phone or email, if we receive reliable information that indicates that the quality, reliability or business practices of an approved supplier has become inconsistent with the quality of the MONKEE'S brand or which renders the formerly approved supplieran unreliable source of quality supplies and goods to MONKEE'S Stores. We do not provide you with any material benefits (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular supplies. There are no purchasing or distribution cooperatives.

Computer System

You are required to purchase, install and use computer hardware and software, and lease a point-of-sale and other electronic information systems, as we designate, in order to process and accept MONKEE'S gift and loyalty cards and participate in similar programs, which must be purchased from Heartland Retail POS, or another vendor we may designate. You must also purchase the necessary equipment and software to maintain a high-speed Internet connection, for email use, for accounting/financial applications and to connect to our intranet, and make available voicemail to consumers calling the Store (whether via traditional phone or Internet phone), which may be purchased from a vendor you select. All of these hardware and software components are collectively referred to as the "Computer System" and are identified by type and principal function in **Exhibit F** to this Franchise Disclosure Document. In the event we revise the specifications for these items, you will be required to update the Computer System. You may not install or use any computer hardware or software that hasn't been approved by us in writing prior to its installation and use. If you desire to utilize any computer hardware or software that we have not approved, you may submit information relating to such hardware

or software as needed to permit us to evaluate the proposed hardware and software, including an evaluation of functionality and compatibility with other Computer System components, for approval in our discretion.

None of our managers and officers own an interest in the designated suppliers for branded supplies and premiums or the Computer System, and we do not get a discount from them based on your purchases from them. We do not provide franchisees with any material benefits based on your purchase of particular products or services or use of particular suppliers.

2. Advertising

You may not use any marketing materials or channels that we have not designed, approved, or that we have disapproved. You must submit samples of all advertising and promotional materials, including business forms, stationery, and cards to us. We have 10 business days to approve proposed marketing materials and channels. If we do not inform you of our disapproval in writing within 10 days ofreceiving your request for approval, the request is considered approved. However, we reserve the right to give you notice of our disapproval at any time and require you to immediately cease use of disapproved advertising. To the extent marketing materials are designed by us, and you use them without any changes,such marketing materials will be considered pre-approved, but you need to get our approval for the marketing channels in which you plan to distribute otherwise approved marketing materials. Additional information about our advertising and marketing practices and support that we provide is described in Item 11(3) below.

3. Insurance

You must obtain and maintain policies covering commercial general liability for business premises and operations and product liability, including damage to persons and property (for not less than $1,000,000 per occurrence and $2,000,000 in the aggregate for bodily injury, per policy year); business automobile liability covering all owned, non-owned, and hired automobiles (for not less than $1,000,000 per accident); property and crime liability (for not less than 100% of the full replacement cost of the insured property, including furniture, fixtures, and inventory); and workers' compensation to meet applicable statutory requirements. Such insurance policies must be issued by an insurance company of your choice having not less than a A.M. Best rating of A-VII and in accordance with the Manual, or as otherwise specified by us in writing. This required coverage must insure the franchisee, and designate us, as well as our affiliates, managers, officers and employees, as additional insureds against any loss orclaim arising in connection with operation or ownership of the Store.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure document item
a. Site selection and acquisition/lease	Sections 2.1, 2.2, 2.5 and 4.12	Item 11
b. Pre-opening purchases/leases	Sections 4.3, 4.6, and 4.8	Items 7 and 8

Obligation	Section in Franchise Agreement	Disclosure document item
c. Site development and other pre-opening requirements	Sections 3.1, 3.2, 3.3, 4.3, 4.6, 4.7, 4.8 and 6.1	Items 7, 8 and 11
d. Initial and ongoing training	Sections 3.1	Item 11
e. Opening	Sections 6.1	Item 11
f. Fees	Sections 1.2, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.10, 12.1 and 14.3	Items 5 and 6
g. Compliance with standards and policies/ Operations Manual	Sections 1.1, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 6.3, 6.4 and 9.4	Item 11
h. Trademarks and proprietary information	Sections 4.2, 8.1, 8.2, 8.3, 8.4, 8.5, 9.4, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 17.5 and 17.6	Items 13 and 14
i Restriction on products/services offered	Sections 3.2, 4.1, 4.2, 4.3, 4.4, 4.6, 4.8 and 6.4	Items 8 and 16
j. Warranty and customer service requirements	Section 4.7	Item 11
k. Territorial development and minimum performance requirement	Not applicable	Item 12
l. Ongoing product/service purchases	Section 3.2, 4.3, 4.6, and 4.8	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Section 4.2, 4.9	Item 11
n. Insurance	Sections 11.1, 11.2, 11.3, 11.4 and 11.5	Items 6 and 8
o. Advertising	Sections 4.5, 6.1, 6.2, 6.3, 6.4, 6.5, 9.1, 9.2, 9.3, and 9.4	Items 8 and 11
p. Indemnification	Section 19.5	Item 6
q. Owner's participation/management/staffing	Section 4.7	Items 11 and 15
r. Records/reports	Sections 7.1, 7.2, 7.3, and 7.4	Item 11
s. Inspections/audits	Sections 3.3, 4.15, 5.5, 10.1 and 10.2	Items 6 and 11
t. Assignment/transfer	Sections 14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7 and 15.1	Item 17
u. Renewal	Sections 12.1, 12.2, 12.3 and 12.4	Item 17
v. Post-termination obligations	Section 13.1, 17.3, 17.4, 17.5, 17.6, 17.7, and 17.8	Item 17
w. Covenants not to compete	Section 17.7	Item 17
x. Dispute resolution	Sections 17.7 (last paragraph), 18.1, 19.2, 19.3 and 19.4	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not arrange financing from other sources, and we do not guarantee your note, lease or obligation.

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

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

1. Franchisor's Assistance

A. Before you open the MONKEE'S Store, we will:

1) Consider the proposed site for the Store after receiving your written proposal for the site, as described below under "Site Selection" in this Item 11. (Franchise Agreement, Section 2.1).

2) Advise you of Required Supplies, as discussed in Item 8(1). (Franchise Agreement, Section 4.8).

3) During the first year of operation of the Store, facilitate meetings with vendors. (Franchise Agreement, Section 3.2).

4) Upon request and subject to availability of our personnel, participate in negotiations with vendors to assist you in obtaining favorable terms; provided that we do not guarantee the results of such negotiations. (Franchise Agreement, Section 3.2).

5) Provide an initial training program, as described below under "Training" in this Item 11. (Franchise Agreement, Section 3.1).

6) Loan to you a copy of our confidential Manual for operating the Store, which shall remain our sole property. (Franchise Agreement, Section 3.4).

B. During your operation of the Store, MONKEE'S will:

1) Provide initial training for new or additional managers. (Franchise Agreement, Section 3.1).

2) Maintain and administer the Brand Fund, as described below under "Advertising" in this Item 11. (Franchise Agreement, Sections 5.3, 6.2).

We may impose maximum or minimum pricing requirements on MONKEE'S Stores with respect to any products, goods or services.

2. Site Selection

We must approve the site you select for the location of your Store, which you will need to purchase or lease from a third party. (Franchise Agreement, Section 2.1). There is no timeline for us to approve the site. We must also approve your lease (if applicable). (Franchise Agreement, Sections 2.1, 2.2). There is no timeline for us to approve the lease. We do not generally own the Store premises and lease it to a franchisee. If we enter into a Franchise Agreement with you prior to your securing an acceptable site, you are required to execute a lease for the Store location within 6 months of signing the Franchise Agreement. Consequently, you will need to find an acceptable site prior to the end of such 6- month period. We may in our discretion, but are not obligated to, grant an extension of such 6-month period. (Franchise Agreement, Section 2.2). We have the ability to automatically terminate the Franchise Agreement in the event that you do not execute a lease for the Store location within 6 calendar months of signing the Franchise Agreement and/or in the event that the Store is not open for business within 12 calendar months following the Effective Date of the Franchise Agreement. (Franchise Agreement, Section 17.2).

As a condition of our approving your lease, and subject to your landlord's consent, you are required to assign certain rights under your lease to us to enable us to take possession of the Store and assume your obligations under the lease, effective only upon the occurrence of certain "Events ofAssignment" described in the Collateral Assignment of Lease between you and us. The CollateralAssignment of Lease agreement includes a form of Consent to Collateral Assignment of Lease and Agreement of Lessor for your landlord's use to evidence their consent to the assignment. Both of these documents are attached as Exhibit D to the Franchise Agreement. (Franchise Agreement, Section 2.5).

We will furnish you with site selection criteria and consultation as we deem advisable, which may include on-site evaluations. In determining whether to approve a proposed site location, we may consider demographic and population growth data, the existence of competitors in the area, the environmental fitness

of the proposed location and other factors as we deem appropriate. Upon receipt of your complete application for approval of a proposed site, we will review and respond regarding the proposed site within a reasonable timeframe. Any relocation of the Store site also requires our prior approval. (Franchise Agreement, Section 2.3).

We require you to open your franchised business within 12 months from the date we sign the Franchise Agreement, and we may terminate the Franchise Agreement if the Store is not open for business within such 12-month period. (Franchise Agreement, Section 17.2(b)). Factors that affect opening time include, but are not limited to, ability to obtain a lease, financing (if applicable), the fashion market buying calendar, and delays in installation of fixtures, equipment, and signs.

3. Advertising

You must conduct a grand opening advertising and market introduction program to introduce the new Store in accordance with our guidelines beginning one month before and continuing for two months after the Store opens for business. We will assist you to develop this program. We require you to spend $5,000 on your grand opening (Franchise Agreement, Section 6.1).

After your initial 12-months in business, and each year afterward during the term of your franchise, you are required to spend an amount equal to at least 2% of your Store's prior annual Gross Receipts to market and promote the Store locally. During your initial 12-months in business, you are required to spend each month at least two percent (2%) of the Store's Gross Receipts to market and promote the Store locally. Your annual marketing plan for use of such funds is subject to our prior approval, and you agree to consult with us as often as we deem reasonably necessary to implement such plan. (Franchise Agreement, Sections 6.3, 6.4). Permitted local marketing activities are limited to Store-level advertising, marketing, and promotion activities conducted according to any applicable social media policy or other MONKEE'S policy regarding advertising and marketing, and you can only use marketing materials and media channels that we pre-approve. Advertising and promotional materials requiring our approval include, but are not limited to, advertising placed in any media, including the Internet, and advertising displays or other printed or electronic materials used by you or your employees, which contain any of the Licensed Marks (as defined in Item 13), including business forms, stationery, cards, and Internet websites. We have 10 business days to approve proposed materials and channels. If we do not inform you of our disapproval in writing within 10 days of receiving your request for approval, the request is considered approved. However, we reserve the right to give you notice of our disapproval at any time and require you to immediately cease use of disapproved advertising. To the extent marketing materials are designed by us, and you use them without any changes, such marketing materials will be considered pre-approved, but you may still need to get our prior approval for the marketing channels in which you plan to distribute otherwise approved marketing materials. You are not required to participate in any local or regional advertising cooperative. There is not an advertising council composed of franchisees.

We have established a fund (the "Brand Fund") that we administer and maintain to finance advertising and marketing to promote the MONKEE'S brand and the System on a national and regional basis. Franchisees are required to contribute monthly 2% of their Gross Receipts to the Brand Fund. (Franchise Agreement, Section 5.3). Neither MBH nor SOV are required to contribute to the Brand Fund. While we account for the Brand Fund separately, it is not audited, nor do we provide financial statements of the Brand Fund for your review. We will direct all Brand Fund-financed marketing activities and retain sole creative approval of their advertising and marketing concepts, graphics, materials, communications media, and market and media placement and allocation. We reserve the right to use Brand Fund monies for creating, preparing, and producing marketing materials in any media or market, including video, audio, and written materials, graphics, and electronic media. The Brand Fund may be used for the promotion of the sale of franchises. Periodically, we will use the Brand Fund to give franchisees templates of marketing materials at our actual cost of production and handling, shipping or storing the materials without mark-up. We may also finance development and maintenance of a MONKEE'S Site (as defined below), System intranet and/or related strategies via the Brand Fund, and use the Brand Fund to pay for our expenses

reasonably incurred in administering the Brand Fund (including personnel costs). Our goal for use of the Brand Fund is to promote brand recognition and all MONKEE'S Stores system-wide, but Brand Fund expenditures may not directly or proportionately benefit your Store or any specific geographic market. (Franchise Agreement, Section 6.2). During 2024, our use of the Brand Fund was divided into these approximate percentages: 1) Production Expenses – 23.5%; 2) Media Placement – 19.8%; 3) Administrative Expenses – 56.7%. Franchisee may obtain anaccount of advertising expenditures by sending an email to Christine Storch, Director of Franchise Campaigns and Marketing Strategy, at christine@shopmonkees.com. Franchisee can expect to receive a response within forty-eight (48) hours.

From time to time during the term of your franchise, in order to compete with other sellers of like goods or services and to maximize revenues for all MONKEE'S Stores, we may develop, or institute one or more new marketing programs, including an updated and more robust loyalty program, frequent purchaser or gift card program, etc., which may require substantial start-up or ongoing administrative fees and expenses. If we determine that such programs will benefit the System along with individual Stores, we will require our franchisees to reasonably cooperate with us to fairly allocate funding for such programs, and may result in an obligation to pay an additional monthly or quarterly fee to fund the program upon reasonable advance notice. (Franchise Agreement, Section 6.5).

We have established the websites www.shopmonkees.com and www.ownamonkees.com, and we may establish one or more additional websites, or branded pages on one or more social media websites, including www.facebook.com and/or www.instagram.com, or smart phone applications: to advertise, market, and promote MONKEE'S Stores and/or goods and services, to operate on-line product purchasing and other fulfillment systems, and for any other purposes we consider appropriate or necessary for the System (each a "MONKEE'S Site" and collectively, the "MONKEE'S Sites"). We will provide you with a MONKEE'S Site for the promotion of your Store, and you will be responsible for maintaining and updating the content of your MONKEE'S Site using photos owned or licensed by you, orimages provided by Monkee's on the corporate image repository, along with then-current inventory descriptions. (Franchise Agreement, Section 9.1).

We will have the right, but not the obligation, to monitor and pre-approve any content youupload, or request to upload to a MONKEE'S Site, and we may take down or decline to approve the uploading of any content to any MONKEE'S Site if we deem the content to be inconsistent with the quality of the MONKEE'S brand, any applicable brand guidelines then-in-effect, with System standards, or with applicable community standards. You may only upload or request to upload content which is accurate and not misleading and which does not belong to someone else or infringe another person's privacy rights. We will own all intellectual property and other rights in the MONKEE'S Sites, your interior pages, and all information they contain (including the log of "hits" by visitors and any personal orbusiness data that visitors supply). (Franchise Agreement, Section 9.1).

We retain the sole right to advertise the System on the Internet and to Control MONKEE'S Sites using the Licensed Marks. You may not, without first obtaining our written approval in accordance with the process set forth in the Manual, develop, maintain, link to, frame, or authorize any other sites or smart phone applications mentioning or describing your business or the Store or displaying any of the Marks. (Franchise Agreement, Sections 6.3, 9.4).

We will control, and may use Brand Fund contributions to develop, host, maintain, operate, update, and market, the MONKEE'S Sites. We will make updates and add content to your MONKEE'S Site as frequently as we deem appropriate. If, during the term of your Agreement, a fee is established for the purpose of augmenting the functionality of the MONKEE'S Sites or otherwise maintaining, improving or enhancing the MONKEE'S Sites for the benefit of the System and its participant Stores, andnotified generally to all then-current franchise owners, Franchisee shall pay for such fee. We may implement and periodically modify our standards for the MONKEE'S Sites. (Franchise Agreement, Section 9.2).

Participation in the MONKEE'S Sites is conditioned on a franchisee's being in substantial compliance with the Franchise Agreement and the Manual. We have a right to temporarily suspend a franchisee's participation in the MONKEE'S Sites pending a cure of a material default under the Franchise Agreement. (Franchise Agreement, Section 9.3).

4. Computer System

We require you to have a Computer System, including POS components, Internet access and voicemail for the Store as described above in Items 7 and 8 and **Exhibit F** of this Franchise Disclosure Document. We estimate the cost for your Computer System to be $3,000 to $4,000. After payment of an initial $500 training fee to our required POS provider, you will lease your POS components, servicing, and software from such provider for between $82 and $119 per month (see Item 7). We will update the hardware, software and connectivity requirements as specifications and/or technology change. There are no contractual limitations on the cost and/or frequency of your obligation to update computer hardware or software during the term of your franchise. Data relating to customers, inventory, sales, purchase orders, and vendors is generated and stored in the Computer System. We will have independent and unlimited access to your Computer System throughout the term of the Franchise Agreement. (Franchise Agreement, Section 4.6). There are no contractual limitations on our right to access this information.

We expect you to implement and maintain a system security policy set out in the Manual, including, but not limited to, protection against computer viruses, using an appropriate password security policy, and physical access.

Monkee's has chosen Heartland Retail POS ("Heartland") as our required Point of Sale / Inventory Control / Customer Relationship Management System. When multiple boutiques use the same point of sale software it allows for better insight and information sharing within the organization. For example, vendor and category information will be consistent from boutique to boutique allowing for better inventory control and inventory optimization. Heartland a web-based POS system that is hardware flexible. It can operate on various operating systems and equipment. We have found that the majority of the stores like to have an iPad available as back up while purchasing a PC or Mac computer to have onthe counter for the larger screen experience. The iPad is still beneficial in the event the store is busy and you need an additional station, or for conducting physical inventories, etc.

The standard system configuration consists of at least one POS selling station at the cash wrap on the sales floor and a computer with access to Heartland in the back office to be used for purchase orders, receiving and entering inventory. This typically is not a selling station used to ring sales.

Heartland has an integration with Quickbooks Online ("QBO"). This integration allows store owners to work with their accountant to "map" financial events from Heartland to their Chart of Accounts in QBO, automatically creating journal entries for all financial activity in the POS system and mapping it to the appropriate expense or revenue category in QBO.

Stores must obtain and maintain at all times reliable, high speed Internet connectivity. Heartland is a web-based POS system and can function either directly wired to the Internet or on a wireless network. Heartland recommends a fiber optic service or cable internet connection.

5. Training

TRAINING PROGRAM

Subject Taught	Hours of Classroom Training	Hours of On-The-Job Training	Location
Getting Your Business Started: Business Entity, License, EIN, Insurance and UPS Accounts	1	1	Monkee’s Franchising, LLC, Winston-Salem, NC
Site Selection Process and Boutique Layout and Design	1	4	Monkee’s Franchising, LLC, Winston-Salem, NC
Market, Writing Orders and Inventory Control	2	5	Monkee’s Franchising, LLC, Winston-Salem, NC
Social Media, Brand Guidelines and Canva	3	0	Monkee’s Franchising, LLC, Winston-Salem, NC
POS System, Payment Processing, Gift Cards, Accounting, P&L, Local IT Support	2	12	Monkee’s Franchising, LLC, Winston-Salem, NC
Personnel	2	0	Monkee’s Franchising, LLC, Winston-Salem, NC

Introduction to Public Relations, SWOT Analysis, Annual Marketing Plan, Text Marketing	4	0	Monkee's Franchising, LLC, Winston-Salem, NC
Monkee's Merchandise and Retail Packaging Supplies	1	2	Monkee's Franchising, LLC, Winston-Salem, NC
Store Immersion Training	0	21	Monkee's Franchising, LLC, Winston-Salem, NC
Grand Opening Training	4	20	Monkee's Franchising, LLC, Winston-Salem, NC
Total Number of Hours	20	65	

The initial training program is currently 3 days in length. Initial training instructional materials include select portions from the Manual. The instructors for initial and opening training are Maria Pericozzi, Janie Thomas, Caroline Borchelt, Teri Pantelakos, Emory Knott, and Kendall Coker each of which has significant experience in their training area. You must pay your own costs and expenses associated with travel, lodging and meals for you and your Store's manager (including any successor managers) in connection with attending the initial training described above and any additional training that we may require from time to time. The franchisee and Store manager, including any employees hired as successor managers in the future, are required to complete the initial training described above, as set forth in the Manual, to our satisfaction. The initial training must be completed 2-3 months prior to Store opening. Opening training that takes place at your store location and territory must be completed immediately prior to Store opening. We reserve the right torequire additional training and refresher courses, and to charge a fee for any such additional training we provide. (Franchise Agreement, Section 3.1).

It is your responsibility to ensure that all of your employees and any successor managers are trained in MONKEE'S systems and procedures, and that they meet our minimum standards in the Manual. (Franchise Agreement, Sections 4.1, 4.7). We may inspect your Store at any time to ensure compliance with System standards. (Franchise Agreement, Sections 3.3, 10.1).

6. Renovations after or during the Term

If your franchise is renewed after the initial 10-year term, you have the obligation to renovate and modernize your Store, as we may require (Franchise Agreement, Section 12.1(b)), including installation of new equipment and renovation of signs, furnishings, fixtures, and décor. We may also require more frequent maintenance of the Store's furnishings and equipment if we deem it necessary to maintain or enhance MONKEE'S image and quality (Franchise Agreement, Section 4.9). Except for renovation or modernization at the renewal of any Term, you will have 180 days to complete any remodeling or facelift projects the costs of which exceed $1,500.

7. Operations Manual

As of the date of this Franchise Disclosure Document, the table of contents of our confidential Manual regarding operation of Stores is as follows:

Section	Contents	No. of Pages Devoted to Each Subject
	Statement of Confidentiality	2
	Overview of the Operations Manual	1

	Table of Contents	5
	Greetings and Welcome to Monkee's!	4
SECTION 1	SERVICE OVERVIEW	2
SECTION 2	FRANCHISEE RESPONSIBILITIES	3
SECTION 3	FRANCHISE MEETINGS	1
SECTION 4	START UP & PRE-OPENING PROCEDURES	22
SECTION 5	GRAND OPENING PREPARATION	10
SECTION 6	DAILY OPERATIONS	6
SECTION 7	BUYING & INVENTORY MANAGEMENT	15
SECTION 8	BUILDING YOUR SHOE BUSINESS	2
SECTION 9	ACCOUNTING REPORTING & PAYMENT PROCEDURES	7
SECTION 10	CUSTOMER SERVICE	5
SECTION 11	MARKETING & ADVERTISING	18
SECTION 12	HUMAN RESOURCES & PERSONNEL	33
SECTION 13	BOUTIQUE SECURITY & SAFETY	7
SECTION 14	MONKEE'S STORE INFORMATION	6
SECTION 15	MANAGEMENT & OTHER MISCELLANEOUS FORMS	13
SECTION 16	RETAIL INDUSTRY TERMINOLOGY	6
APPENDIX A	BUSINESS ACCOUNTING RESOURCES	40
APPENDIX B	SITE SELECTION PROCESS & CRITERIA	3

APPENDIX C	BOUTIQUE DESIGN ELEMENTS	11
APPENDIX D	HEARTLAND CHEAT SHEETS	7
APPENDIX E	TEXT CLUB SLICKTEXT	46
APPENDIX F	SHOE VENDORS	5
APPENDIX G	CLOTHING VENDORS	13
APPENDIX H	ACCESSORIES VENDORS	11
APPENDIX I	CONFIDENTIALITY & NONDISCLOSURE AGREEMENT	2
APPENDIX J	COPYRIGHT POLICY	4
APPENDIX K	STYLIST GUIDELINES & PULL SHEET	2
APPENDIX L	VISUAL MERCHANDISING GUIDE	17
APPENDIX M	ECOMMERCE	3
APPENDIX N	CLOSET PERKS LOYALTY PROGRAM	13
APPENDIX O	BRAND GUIDELINES	15
	TOTAL PAGES	**350**

ITEM 12
TERRITORY

You will receive an exclusive territory for the Store at a location that we approve (the "Protected Area"). The Protected Area will be described in Exhibit A to the Franchise Agreement, shall include at least a two (2) mile and no more than a ten (10) mile radius of your Store, and will be determined in our sole discretion by various factors, including demographics, the concentration of other businesses in the vicinity, existing and potential competition, projections of growth in the area, and the economic environment. By Protected Area, we mean that during the term of your Franchise Agreement, we will not own, operate, or grant a franchise for a MONKEE'S Store that is physically located within the Protected Area. There are no restrictions on our ability to own, operate, or grant a franchise to MONKEE'S Stores outside of the Protected Area. We also reserve the right, in our sole discretion, to sell the products and services we authorize for Stores under the Licensed Marks or under other marks through similar or dissimilar channels of distribution and using terms and conditions as we determine and deem appropriate, including by electronic means such as the Internet and websites we establish. In such case, we are not required to pay you any compensation for soliciting or accepting orders from inside your territory through those other

channels of distribution.

You must receive our permission to relocate your Store. If you would like to change the location of your Store site during the term of your franchise because you experience a significant demographic change in your existing Protected Area, or customer traffic decreases significantly, please contact us. If your desired relocation does not bring your Store within the Protected Area of another MONKEE'S Store, and your proposed new site selection is otherwise suitable according to our site selection criteria set forth in the then-current Manual, your request will likely be approved.

We have a right to terminate the Franchise Agreement if the Store fails to meet reasonable sales revenue targets that we establish and communicate to you, when viewed in relation to the performance of other similarly situated MONKEE'S Stores. Currently, reasonable sales revenues targets are set as at least $500,000 during a Store's initial 12 months of operation, and as at least $700,000 in any subsequent 12-month period, unless a higher revenue target is expressed to you in writing. If we do not terminate your Franchise Agreement after you fail to satisfy such minimum performance requirements in a given period of time, this does not mean that we have waived our rights to terminate the Franchise Agreement for any future failure.

Each franchisee has the ability to request a transfer of products from other Stores in the System to meet customer purchasing needs at the franchisee's Store subject to compliance with applicable MONKEE'S policies as set forth in the Manual. You also have the right to use the Internet for marketing both within and outside of your Protected Area, provided all such advertising abides by the termsdescribed in Item 11(3) and Item 13, including any applicable social media policy or other MONKEE'S policy regarding advertising.

You do not receive rights to acquire additional Stores in the Franchise Agreement, but we will be glad to assess request(s) to establish additional Stores based on existing sales volume and performance of a franchisee's current Store(s). There is no "right of first refusal" for current franchisees to purchase Stores of other franchisees.

Each franchisee has the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to obtain customers and make sales outside its territory.

ITEM 13
TRADEMARKS

We will grant you the right to operate your Store under the name MONKEE'S and to use the registered trademarks depicted in the following table and other registered and unregistered trademarks specified by us in the System from time to time (the "**Licensed Marks**") under the terms of the Franchise Agreement. By "trademark," we mean trade names, trademarks, service marks and logos used to identify your Store.

We own the rights to the following Licensed Marks listed on the United States Patent and Trademark Office ("**USPTO**") principal register:

Mark	Registration Date/ Registration Number	Associated Goods/Services	Status of Application
	August 7, 2007 3,274,865	Boutique retail shops for women featuring clothing	Registered on the Principal Register.
MONKEE'S	August 7, 2007 3,274,864	Boutique retail shops for women featuring clothing	Registered on the Principal Register.
	August 7, 2007 3,274,863	Boutique retail shops for women featuring shoes, belts, jewelry, handbags, sunglasses and accessories	Registered on the Principal Register.
MONKEE'S	August 7, 2007 3,274,862	Boutique retail shops for women featuring shoes, belts, jewelry, handbags, sunglasses and accessories	Registered on the Principal Register.
YOU MIGHT NEED A BIGGER CLOSET	November 12, 2013 4,432,512	Retail shops featuring clothing, shoes, belts, jewelry, handbags, sunglasses, accessories and gifts	Registered on the Principal Register.

Registration of a mark or logo on the Principal Register of the USPTO constitutes *prima facie* evidence of the validity of a mark and of the registrant's ownership of such mark, and of the registrant's exclusive right to use such mark in commerce and in connection with the goods and services as set forth in the registration, subject to any conditions or limitations identified in the applicable certificate of registration.

We have filed Affidavits of Use where necessary to protect and maintain the Licensed Marks.

No effective determination of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, of any pending infringement, dilution, opposition or cancellation proceeding or any pending material litigation that is relevant to the use of the Licensed Marks in any state is required to be disclosed in this Franchise Disclosure Document.

No agreements exist that significantly limit, in any manner material to you, our rights to use or license the use of the Licensed Marks in connection with the goods and services in the above table.

We may establish new Licensed Marks in the future and you must use and display these marks in accordance with our guidelines. You must bear all of your costs associated with changes to Licensed Marks or introduction of new Licensed Marks.

You cannot use Licensed Marks as part of a corporate name. In addition, you cannot use the Licensed Marks with modifying words, designs or symbols except for those that we license to you. You may not use our registered name in the sale of an unauthorized product or service or in a manner not authorized by us in writing in advance. You may not use any other mark, name, commercial symbol or logo-type in connection with the operation of your Store. In the event we establish a new mark that is not a Licensed Mark, if our rights to such mark are challenged, you may have to change to another trademark and you may have increased expenses as a result of such changes.

We own the domain name registration for "shopmonkees.com." You acknowledge that we are the lawful and sole owner of the domain name "shopmonkees.com," which incorporates our mark MONKEE'S. You agree not to register or use any of the Licensed Marks or any abbreviation, acronym or variation of the Licensed Marks, or any other name that could be deemed confusingly similar, as part of any website, domain name, electronic address, smart phone application, or otherwise in connection with electronic media, except as we may expressly allow. If you register, attempt to register, obtain any ownership in, or otherwise utilize any website, domain name, electronic address, smartphone application, or other Internet presence that relates in any way to the Store, you agree that any such item shall be deemed our property, and you shall execute any documents necessary to reflect our ownership. See also discussion of MONKEE'S Sites in Item 11(3) above.

Your right to use the Licensed Marks is derived solely from the Franchise Agreement and is limited to the conduct of your business in compliance with the Franchise Agreement. All provisions of the Franchise Agreement applicable to the Licensed Marks apply to any additional trademarks, service marks, logo forms and commercial symbols authorized for your use. You must use the Licensed Marks as the sole identification of your Store, but you must identify yourself as the independent owner in the manner we prescribe.

As discussed in Item 11(3) above, we approve or disapprove any signs, advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is considered approved. However, we reserve the right to give you notice of our disapproval at any time and require you to immediately cease use of disapproved advertising.

You acknowledge and agree that we own the Licensed Marks, that you will do nothing inconsistent with our ownership, and that all use of the Licensed Marks is exclusively for our benefit. Youagree that nothing in the Franchise Agreement will give you any right, title or interest in the Licensed Marks other than the right to use the Licensed Marks in accordance with the Franchise Agreement. You will not, at any time during the term of the Franchise Agreement or after its termination or expiration, contest the validity or ownership of any of the Licensed Marks or assist any other person in contesting thevalidity or ownership of any of the Licensed Marks. You will not register, seek to register or contest our sole right to register, use and license others to use the Licensed Marks.

You must notify us immediately, in writing, of any infringements of the Licensed Marks by others, and challenges to your use of the Licensed Marks in connection with your business. We will take action as we deem appropriate. We have the right to exclusively control any litigation, arbitration, USPTO proceeding or other administrative proceeding arising out of any infringement, dilution, counterfeit, challenge, unfair competition or claim or otherwise relating to any Licensed Mark. You must cooperate with us in any action regarding these matters, which we may, in our sole discretion, deem appropriate. You will execute all documents, and take any other reasonable action to protect and maintain our interests in any litigation, arbitration, USPTO proceeding or other administrative proceeding or to otherwise protect and maintain our interests in the Licensed Marks.

We are not required to defend a claim against you for your use of our Licensed Marks. If we elect defend the claim on your behalf, we have no obligation to reimburse you for any fees or disbursements to any attorney you retain.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Licensed Mark, you must modify or discontinue your use of the Licensed Mark at your expense within a reasonable time after notice by us.

We are not aware of any infringing uses that could materially affect your use of the Licensed Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or a copyright, but you can use the proprietary information in our Manual, and in all other written and promotional materials, which we develop and furnish to you in order to assist you in the operation of your Store. The Manual is describedin Item 11(6). Although we have not filed an application for a copyright registration for the Manual, we claim a copyright in the Manual and the information it contains is confidential, proprietary, and trade secret. You must promptly tell us when you learn about any unauthorized use of our proprietary information. We are not obligated to take any action but will respond to the information you provide aswe think appropriate.

We possess certain other confidential, proprietary, trade secret and competitively sensitive information relating to the operation of Stores, including processes, methods, techniques, policies, procedures, compilations of data and other information that is valuable and considered by us to be proprietary "Confidential Information" under the Franchise Agreement. We disclose such Confidential Information to you through our training program, manuals, guidance to you during the term of the Franchise Agreement and otherwise, solely for your use in the development and operation of the business during the term of the franchise.

You will not acquire any interest in our confidential, proprietary and trade secret information other than the right to use it in your franchised business, and you will not use such confidential,proprietary and trade secret information in any other business or capacity. You must maintain the absolute confidentiality of our Confidential Information during and after the term of the FranchiseAgreement, and must not make any unauthorized copies of any portions of the Confidential Information. You must adopt and implement the procedures we prescribe to prevent unauthorized use, duplication, or disclosure of our Confidential Information, including, to the extent permitted by law, requiring that any ofyour employees, agents, and contractors who have access to our Confidential Information sign a Confidentiality and Nondisclosure Agreement. A franchisee operating as a business entity must also obtain a Confidentiality and Nondisclosure Agreement in the form we prescribe from all: (i) managers, officers, directors, shareholders and members directly or indirectly controlling the franchisee, and (ii) owners of an equity interest in the franchisee. Such Confidentiality and Nondisclosure Agreements must be in substantially the form attached as Exhibit C to the Franchise Agreement.

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

The Store must at all times be under the direct, day-to-day supervision of a competent, trained staff, including a manager, who may be the franchisee (if an individual) or a designee on behalf of the franchisee (if a business entity). The manager is required to devote his or her full time and attention to themanagement and operation of the Store. Managers are also subject to confidentiality obligations with respect to our Confidential Information. See Item 14 above. If you are not an individual, each holder of an equity interest in you will be required to execute a guaranty and assumption of obligations agreement with respect to the

Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

During the first six months the Store is open for business, you will offer for sale such preferred designers' lines and merchandise mixes as we may recommend, subject to vendors' acceptance of your purchase orders. During the term of your franchise, we may revise the Manual to establish an ideal inventory mix for MONKEE'S Stores, taking into account regional and market differences, as well as years of operation. Each franchisee has the ability to sell goods that fall within the Monkee's brand (primarily apparel and jewelry) and there is no limitation on the customers to whom each franchisee may sell goods. We have the right to change the types of authorized goods and there is no limit on our right to make any such changes.

We do not impose maximum or minimum pricing requirements on MONKEE'S Stores with respect to any products, goods or services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise agreement	Summary
a. Length of the franchise term.	Section 13.1	Ten years.

Provision	Section in franchise agreement	Summary
b. Renewal or extension of the term.	Section 12.1	If you are in good standing, and upon payment of a renewal fee, you can add up to one additional term equal to the then-customary initial term granted under our then-current Franchise Agreement.
c. Requirements for franchisee to renew or extend.	Sections 12.1 and 12.2	Sign new agreement, pay renewal fee, remodel and sign release, after giving notice of renewal. The new agreement may have materially different terms, including increased fees and reduced or eliminated territory rights.
d. Termination by franchisee.	Not Applicable.	Not Applicable.
e. Termination by franchisor without cause.	Not Applicable.	Not Applicable.
f. Termination by franchisor with cause.	Sections 17.1 and 17.2	We may terminate the Franchise Agreement if you default under or breach the terms of the Franchise Agreement and fail to timely cure a default or breach that can be cured.

g. "Cause" defined – defaults that can be cured.	Sections 17.2(f), 17.2(n), 17.2(o) and 17.2(v)	You have 10 days to cure a failure to maintain required insurance coverage, or a failure to pay us any required payments under the Franchise Agreement. You have 30 days to cure a failure to pay vendors to the MONKEE'S System, or any breach of the Franchise Agreement or the Manual not listed in Subsections 17.2(a), (b), (c), (d), (e), (g), (h), (i), (j), (k), (l), (m), (p), (q), (r), (s), (t), (u), and (w).
h. "Cause" defined – noncurable defaults.	Sections 17.2(a), (b), (c), (d), (e), (g), (h), (i), (j), (k), (l), (m), (p), (q), (r), (s), (t), (u), and (w)	Among others, failure to open the Store for business within 12 calendar months after the Effective Date of the Franchise Agreement, losing occupancy of the Store's premises due to a lease default, store abandonment, criminal conviction, failureto meet minimum sales volume, unauthorized transfer, understatement of Gross Receipts, breach of confidentiality, committing the same breach within six-months of the first occurrence, and committing three breaches within any 12-month period.
i. Franchisee's obligations on termination/nonrenewal.	Sections 17.3, 17.4, 17.5, 17.6 17.8, and 17.9	Termination of the Franchise Agreement will require discontinuing all use of the Licensed Marks, including cancelling any assumed name registration that contains a Licensed Mark, and taking actions to de-brand and de-identify the Store as a MONKEE'S Store as we specify in the Manual or otherwise communicate to you, paying amounts due to us and returning the Manual and other Confidential Information.
j. Assignment of contract by franchisor.	Section 14.1	No restriction on our right to assign.

Provision	Section in franchise agreement	Summary
k. "Transfer" by franchisee – defined.	Section 14.2	Includes transfer of all or part of contractual rights or obligations, or assets or ownership change. You may not grant a security interest in the Franchise Agreement or the Store without our consent.
l. Franchisor approval of transfer by franchisee.	Section 14.2	We have the right to approve all transfers but will not unreasonably withhold approval if all of the conditions are met.
m. Conditions for franchisor approval of transfer.	Section 14.3	New franchisee qualifies, transfer fee paid, purchase agreement approved, training arranged, release signed by you and current agreement signed by new franchisee.
n. Franchisor's right of first refusal to acquire franchisee's business.	Section 14.4	We have a right of first refusal to purchase your interests in the franchised business on terms at least as favorable as those offered by a third party.
o. Franchisor's option to purchase franchisee's business.	Section 17.8	We may exercise an option to purchase your Store's assets in certain circumstances following termination or non-renewal of the Franchise Agreement.
p. Death or disability of franchisee.	Section 14.7	Franchise must be assigned by franchisee's estate or personal representative to an approved buyer within six-months.
q. Non-competition covenants during the term of the franchise.	Section 17.7	You may not have an interest in or provide assistance to any other business selling ladies' shoes, clothing or accessories within 20 miles of your Store or another MONKEE'S location, divert or attempt to influence supply or purchasing decisions of any supplier, customer or prospective customer of another franchisee, or solicit for employment a person we or another franchisee employed during the two years immediately prior to expiration or termination of the franchise.
r. Non-competition covenants after the franchise is terminated or expires.	Section 17.7	For a period of two years after your franchise expires or terminates, you may not have an interest in or provide assistance to any other business selling ladies' shoes, clothing or accessories within 20 miles of your Store or another MONKEE'S location, divert or attempt to influence supply or purchasing decisions of any supplier, customer or prospective customer of another franchisee, or solicit for employment a person we or another franchisee employed during the two years immediately prior to, and the two years immediately following, expiration or termination of the franchise.

Provision	Section in franchise agreement	Summary
s. Modification of the Franchise Agreement.	Section 19.12	Modifications to the terms of the Franchise Agreement must be in writing and approved by both parties. We may modify the Manual and other policies, specifications and guidelines from time to time.
t. Integration/merger clause.	Section 19.7	The terms of the Franchise Agreement, its preambles and exhibits, and the Manual, as amended from time to time, comprise the Franchise Agreement. Any representation or promises made outside of this disclosure document and this franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation.	Section 18.1	Except for actions brought by either party for injunctive relief or specific performance, all disputes must be resolved by arbitration in Forsyth County, North Carolina. MONKEE'S has a right to an award of its reasonable attorneys' fees and costs if it prevails in any action requesting specific performance or injunctive relief for breach of covenants not to compete.
v. Choice of forum.	Section 18.1	Subject to applicable state law, judgment on an arbitration award, injunctive relief or specific performance may be sought in any court of competent jurisdiction.
w. Choice of law.	Section 19.2	The Franchise Agreement requires application of the law of North Carolina. Subject to applicable state law, this provision may not be enforceable.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

The following table represents Gross Receipts per Store for our most recent fiscal year January 1, 2024, to December 31, 2024, for the 42 Stores that have been operating for at least one year as of December 31, 2024.

Category	Number of Units	Average 2024 Gross Receipts	Median 2024 Gross Receipts
TOP HALF	21	$1,622,525	$1,160,362
BOTTOM HALF	21	$568,973	$636,862
ALL	42	$1,095,749	$847,556

Notes:

1. The highest-earning Store achieved Gross Receipts of $3,891,496 during the 2024 fiscal year. The Gross Receipts of the lowest-earning Store were $222,399 during the 2024 fiscal year.
2. In the “top half," 8 of the 21 Stores (38%) met or exceeded the average annual sales of $1,622,525, while 11 of the 21 Stores (52%) in the top half met or exceeded the median of $1,160,362. In the "bottom half," 12 of the 21 Stores (57%) met or exceeded the average annual sales of $568,973, while 11 of the 21 Stores (52%) in the "bottom half" met or exceeded the median of $636.862. In the “all” category, 12 of the 42 Stores (29%) met or exceeded the average annual sales of $1,095,749, while 11 of the 42 Stores (50%) met or exceeded the median of $847,556.
3. This table does not include data for Stores owned by the current owners for less than a one-year period ending December 31, 2024. There were 57 total franchise Stores as of December 31, 2024.
4. This table does not include data for the Associate Stores.

Written substantiation for this financial performance representation will be made available to a prospective franchisee upon reasonable request. This data is based on reports submitted to us, and have not been verified or audited.

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

Other than the preceding financial performance representation, Monkee’s does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Deirdre Shaw, President, Monkee’s Franchising, LLC, 2522 Reynolda Road, Winston-Salem, North Carolina 27106 (866) 307-1294), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
LIST OF OUTLETS

Franchised Store Summary for years 2022, 2023 and 2024

1. We did not begin selling franchises until June 1, 2012. Our predecessor, Monkee’s, LLC, sold franchises during 2011. Those franchise agreements were assigned from Monkee’s, LLC to us in June 2012.

2. See attached **Exhibit C** for a list of Associate Stores open as of December 31, 2024. Tabular information on these Associate Stores is also provided in **Exhibit C**.

3. There are no trademark-specific franchisee organizations associated with System.

Table No. 1

Systemwide Outlet Summary
For Years 2022, 2023 and 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	27	36	+9
	2023	36	46	+10
	2024	46	57	+11
Company-Owned	2022	1	1	0
	2023	1	0	-1
	2024	0	0	0
Total Outlets	2022	28	37	+9
	2023	37	46	+9
	2024	46	57	+11

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other than Franchisor)
For Years 2022, 2023 and 2024

State	Year	Number of Transfers
AL	2022	0
	2023	0
	2024	2
KY	2022	0
	2023	1
	2024	0
NC	2022	0
	2023	0
	2024	0
TN	2022	0
	2023	0
	2024	0
SC	2022	0
	2023	0
	2024	1
TOTALS	2022	0
	2023	1
	2024	3

Table No. 3

Status of Franchised Outlets
For Years 2022, 2023 and 2024

State	Year	Outlets at start of year	Outlets opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased operations – Other Reasons	Outlets at End of Year
AL	2022	2	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	2	0	0	0	0	4
FL	2022	3	3	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	2	0	0	0	1	8
KY	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
MS	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NC	2022	9	1	0	0	0	0	10
	2023	10	1	0	0	0	0	11
	2024	11	1	0	0	0	0	12
SC	2022	4	1	0	0	0	0	5
	2023	5	1	0	0	0	0	6
	2024	6	0	0	0	0	0	6
TN	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	2	0	0	0	0	5
TX	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	3	0	0	0	0	6
VA	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	2	0	0	0	0	6
GA	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
MD	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
UT	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TOTALS	2022	27	9	0	0	0	0	36
	2023	36	10	0	0	0	0	46
	2024	46	12	0	0	0	1	57

Table No. 4

Status of Company-Owned Outlets
For Years 2022, 2023 and 2024

State	Year	Outlets at start of year	Outlets opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
VA	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
TOTALS	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0

Table No. 5

2025 Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
FL	1	0	0
GA	1	0	0
NC	3	1	0
NJ	1	0	0
TOTALS	5	0	0

The names, addresses, and telephone numbers of all active franchises are listed below. The following list is as of December 31, 2024:

AMO Enterprises, Inc. 322 Glensford Drive, Unit 106 Fayetteville, NC 28314 (910) 867-6001	Venture On The Hill, Inc. 108 Meadowmont Village Circle Chapel Hill, NC 27517 (919) 967-6830	JL Fashions, LLC 1179 Main Street Blowing Rock, NC 28605 (828) 295-0708
LexLouNaplesToo, LLC 4320 Gulf Shore Blvd. N., Ste 208 Naples, FL 32789 (239) 331-2666	V3P, Inc. (Pines) 124 NW Broad Street Southern Pines, NC 28387 (910) 693-7463	H&M Investitures, LLC 4822-A HWY 17S N. Myrtle Beach, SC 29577 (843) 281-0296
O'Neil and Basham, Inc. 827 Carolina Street Fredericksburg, VA 22401 (540) 368-2111	Sophisticated Soles, LLC 116 Clay Avenue Lexington, KY 40502 (859) 253-0427	Colin Mackin & Olivia Brown OCM, LLC 4102 Springhill Road Louisville, KY 40207 (502) 387-8740
Terri Shaw, LLC 2839 Selwyn Avenue, Suite Z Charlotte, NC 28209 (704) 379-7995	Tolly, LLC 103-A Augusta Street Greenville, SC 29601 (864) 239-0788	Suzanne Floyd and Ralph Floyd, Jr. 1000 Highland Colony Parkway, Suite 7001 Ridgeland, MS 29157 (601) 499-1716
Meredith Fashions, LLC 9 SE Osceola Street Stuart, FL 34994 (772) 266-9879	Katy Erickson Enterprises, LLC 1329 North Main Street High Point, NC 27262 (336) 882-0636	Retail Therapy, LLC 2515 N. Roan Street Johnston City, TN 37601 (423) 534-8141
Lindsay Cunningham Enterprises, LLC 1421 Shucker Circle, Suite 1114 Mt. Pleasant, SC 29464 (843) 936-2461	Harriett McKinney 5234 Marathon Avenue Fort Worth, TX 76109 (682) 703-8337	Joanna Saleeby 4158 Main at North Hills Street, #100 Raleigh, NC 27609 (919) 785-1400
Ansley Butts and Marie Armstrong 444 W. New England Avenue, Suite 115 Winter Park, FL 32789 (407) 497-8258	Elizabeth Huber 2352 Peachtree Road Atlanta, GA 30305 (404) 963-2552	Julia Alexandra Caldwell 4170 Avalon Boulevard Alpharetta, GA 30009 (678) 430-3863
Amy Hollstein 11899 Grand Commons Avenue Fairfax, VA 22030 (240) 682-1534	Elizabeth & Caroline Radford 5000 Highway 70 West, Ste 111 Morehead City, NC 28557 (252) 230-8216	Monkees of Ocean City LLC 5909 Coastal Highway #4 Ocean City, MD 21842 (443) 664-6691
Kathy Rourk 974 Ashburton Road Bolivia, NC 23422 (910) 617-6437	Draper Darling Boutique, LLC 14241 S. Canyon Vine Cv. Draper, UT 84020 (602) 446-9296	Lowcountry Movement, LLC 714 Front Street Georgetown, SC 29440 (704) 651-9210

OB WON JACOBY RETAIL LLC 6372 English Creek Drive Lakeland, FL 33811 (813) 928-5564	Chambliss & Company, LLC 425 W. Cloverhurst Avenue Athens, GA 30606 (706) 225-2654	Apples and Oranges Boutique, LLC 1000 Moss Creek Drive Prosper, TX 75078 (720) 220-8755
Monkee's in the Sun, LLC 7530 Windy Hill Cove Lakewood Ranch, FL 34202 (804) 248-9036	V3P, Inc. (Pinehurst) 124 NW Broad Street Southern Pines, NC 28387 (910) 693-7463	Daniel Lowe & Heather Lowe 11129 Oak Hallow Road Knoxville, TN 37932 (865) 227-0829
Alexander N. Haynes & Alison W. Haynes 3 Marchmont Avenue Bluffton, SC 29910 (912) 660-9491	WESTHOUSE 7, LLC 1050 Flagmore Drive Katy, TX 77450 (559) 361-0936	Elizabeth Kienzle 726 Ivanhoe Road Tallahassee, FL 32312 (727) 667-8159
Monkees of Music City, LLC 9283 Fordham Drive, Brentwood, TN 37027 (615) 594-2990	Fashionista RVA, LLC 5 S. Wilton Road Richmond, VA 23226 (804) 380-4025	Picking Daisies, LLC 1705 White Hall Road White Hall, MD 21161 (609) 709-9271
Ellis Autry Dawsey, Jr. and Kimberly Sheets Dawsey 1520 Candlewyck Court Kannapolis, NC 28081 (704) 773-1072	Elizabeth McKee Huber 106 Spring Street SW Suite 110 Gainesville, Ga. 30501 (404) 452-7786	Leigh T. Sewell Fashionista VB, LLC 5 S. Wilton Road Richmond, VA 23226 (804) 380-4025
Carl Nicholas Wallace and Christina Renae Wallace 121 Jerdone Road Williamsburg, VA 23185 (757) 869-6714	Corinthian Rachelle Kritzer 2406 Barcelona Drive Fort Lauderdale, FL 33301 (919) 601-9024	Russell David Brackins II and Stephanie Hall Brackins 309 Covington Cove Madison, MS 39110 (601) 954-6213
The MOD Style, LLC 2320 Hawthorne Drive Amarillo, TX 79101 (806) 677-3379	Brandon Clark Wilmoth and Alisha Lynn Wilmoth 2274 Dogwood Glenn Cove Germantown, TN 38189 (901) 305-2836	Melanie Norman Britt 2010 Brownstone Lane Charlottesville, Virginia 22901 (434) 981-6004
Lori Mary Harpsoe 16504 Kendleshire Terrace, Lakewood Ranch Florida, 34202 (440) 328-7270	Daniel Malik Durski MOTW, LLC 1624 W 24th St #A Houston, TX 77008 402-321-4547	Michael A. Cox & Jamie W. Cox 2011 Chancey Mill Road Blakely, GA 39823 (229) 308-3976

Vance L. Wood & R. Elena Wood 61 Ridge Ln. Highlands, NC 28741 (828) 421-9594	Elona L. Appleby 495 Bunker Ranch Blvd Dripping Springs, Texas 78620 (904)-864-7373	William P. Saliski & Holly N. Saliski 116 Keplar Place, Fairhope, AL 36532 (334) 220-0469
Elizabeth McKee Huber 805 Peachtree Battle Ave. NW Atlanta, GA 30327 (404) 963-2552	Elizabeth McKee Huber 805 Peachtree Battle Ave. NW Atlanta, GA 30327 (404) 963-2552	MO'Brien, LLC 4423 Winthrop Ave. Columbia, SC 29206 (864) 918-2115

FRANCHISEES WHO HAVE CEASED TO DO BUSINESS IN THE SYSTEM DURING 2024, OR WHO HAVE NOT CONTACTED US SINCE FEBRUARY 1, 2025

Randall Eugene and Crystal Nicole Hamilton 605 West South Street, Unit 121 Leander, TX 78641 (440) 315-0976	Wantina Renee Cash 15617 Copper Beech DR Upper Marlboro, MD 20774-8003 (361) 739-0858	Margaret Billings Krouse 2111 Reaney Road Lakeland, FL 33803 (863) 860-8245

FRANCHISEES WHO WERE NOT YET OPERATIONAL AS OF DECEMBER 31, 2024

Thomas Edward Holland and Elizabeth Holmes Holland 1015 Jordan Narron Road Selma, NC 27576 (919) 697-0766
Natalie Ann Cook 135 N Castle Harbour Drive Inlet Beach, FL 32461 (615) 207-3391
Vance L. Wood & R. Elena Wood 61 Ridge Ln. Highlands, NC 28741 (828) 421-9594
Emily Cate 3950 Sycamore Court Vero Beach, FL 32967 (310) 600-3574
VP Fashion Enterprises, LLC 131 Shoreview Drive New Bern, NC 28562 (919) 621-9485
Julie Ann Price 231 Goldstein St. Punta Gorda, FL 33950 (941) 421-2440

Shaune Goff Freeland 1950 Jamaica Way Punta Gorda, FL 33950 (941) 286-8487
Kevin & Autum Burke 9407 Purbeck Lane Oolltewah, TN 37353 (423) 298-1635
Amanda Vittitoe 4 Horseshoe Bend Lane Mendham, NJ 07945 (201) 841-3272
Ryan & Katie Marshall 110 W Taylor Street Savannah, GA 31401 (864) 650-3674

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

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There exist no trademark-specific franchisee organizations associated with the System which (i) have been created, sponsored or endorsed by Franchisor, or (ii) are incorporated or otherwise organized under state law and ask Franchisor to be included in this Franchise Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

The following financial statements of Monkee's Franchising, LLC are presented in Exhibit A:

Audited Financial Statements for 2024, 2023 and 2022

Independent Auditor's Report

Balance Sheets (Years Ended December 31, 2024, 2023 and 2022)

Statements of Income and Members' Equity (Years Ended December 31, 2024, 2023 and 2022)

Statements of Cash Flows (Years Ended December 31, 2024, 2023 and 2022)

Notes to Financial Statements

ITEM 22
CONTRACTS

The following contracts are attached as exhibits to this Franchise Disclosure Document:

1. Franchise Agreement (**Exhibit B**)
2. State Specific Amendments to the Franchise Agreement (**Exhibit B-1**)
3. Intentionally omitted (**Exhibit G**)
4. General Release (**Exhibit H**)

ITEM 23
RECEIPTS

Exhibit I is a detachable document to use for acknowledging receipt of this Franchise Disclosure Document with all exhibits attached.

EXHIBIT A
FINANCIAL STATEMENTS

MONKEE'S FRANCHISING, LLC

FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS FOR YEARS ENDED DECEMBER 31, 2024, 2023, and 2022

Form F – Consent of Accountant

CONSENT

Bernard Robinson & Company, LLP consents to the use in the Franchise Disclosure Document issued by Monkee's Franchising, LLC ("Franchisor") on April 14, 2025, or as it may be amended, of our report dated March 20, 2025, relating to the financial statements of Franchisor for the year ending December 31, 2024.

Bernard Robinson & Company, L.L.P.

4700 Homewood Court, Suite 105
Raleigh, NC 27609

P: 919-862-0004 • F: 919-862-0009

brc.cpa

MONKEE'S FRANCHISING, LLC

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022

MONKEE'S FRANCHISING, LLC
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Independent Auditor's Report

To the Members
Monkee's Franchising, LLC and Subsidiary
Winston-Salem, North Carolina

Opinion

We have audited the consolidated financial statements of Monkee's Franchising, LLC and subsidiary (the "Company"), (a North Carolina limited liability company), which comprise the consolidated balance sheets as of December 31, 2024, 2023 and 2022, and the related consolidated statements of income, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Monkee's Franchising, LLC as of December 31, 2024, 2023 and 2022, and the results of operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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, including omissions, 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.

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, 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.
- 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 Monkee's Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Monkee's Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedules of license and franchising operating expenses is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Bernard Robinson & Company, L.L.P.

Raleigh, North Carolina
March 20, 2025

MONKEE'S FRANCHISING, LLC
Consolidated Balance Sheets
December 31, 2024, 2023, and 2022

Assets

	2024	2023	2022
Current Assets:			
Cash	$ 1,103,599	$ 1,069,026	$ 1,652,190
Restricted cash (brand fund)	868,920	659,635	520,816
Accounts receivable	375,150	325,137	288,612
Prepaid expenses	59,299	21,264	23,450
Inventory	331,736	431,317	216,121
Total Current Assets	2,738,704	2,506,379	2,701,189
Property and Equipment:			
Furniture and office equipment	15,163	15,163	26,187
Less accumulated depreciation	13,660	11,582	19,049
	1,503	3,581	7,138
Intangible Assets:			
Web site costs	103,475	103,475	103,475
Less accumulated depreciation	103,475	103,475	103,475
	-	-	-
Other Assets:			
Operating lease right-out-use assets, net	49,116	80,010	15,237
Security deposit	2,500	2,500	2,500
	51,616	82,510	17,737
Total Assets	$ 2,791,823	$ 2,592,470	$ 2,726,064

Liabilities and Members' Equity

Current Liabilities:			
Accounts payable	$ 133,440	$ 107,228	$ 78,093
Accrued expenses	47,855	35,459	36,963
Operating lease liability, current	33,890	31,232	16,228
Deferred franchise fees	315,764	556,620	465,110
Other current liabilities	-	14,250	-
Total Current Liabilities	530,949	744,789	596,394
Noncurrent Liabilities:			
Operating lease liability, long-term	17,835	51,724	-
Total Liabilities	548,784	796,513	596,394
Members' equity	2,243,039	1,795,957	2,129,670
Total Liabilities and Members' Equity	$ 2,791,823	$ 2,592,470	$ 2,726,064

See Notes to Consolidated Financial Statements

MONKEE'S FRANCHISING, LLC
Consolidated Statements of Income
Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Franchise Revenues:			
Initial franchise fees earned	$ 578,355	$ 603,491	$ 652,858
Monthly franchise royalty fees	2,378,553	2,152,002	1,940,249
Monthly brand fund fees	886,224	765,866	531,490
Monthly license royalty fees	54,816	61,615	61,732
Event Sponsorship	38,500	-	10,800
	3,936,448	3,582,974	3,197,129
Merchandise and supplies sales	297,328	274,514	224,043
Cost of sales	236,738	229,855	170,449
Gross profit	60,590	44,659	53,594
Net revenues	3,997,038	3,627,633	3,250,723
Operating expenses:			
Licensing and franchising operating expenses	1,947,320	1,940,291	1,745,034
Income from operations	2,049,718	1,687,342	1,505,689
Other Income (Expense):			
Interest income	86,905	51,714	10
Interest expense	-	-	(505)
Other income (expense)	-	(769)	73
	86,905	50,945	(422)
Income before income taxes	2,136,623	1,738,287	1,505,267
Income tax expense	(89,541)	(72,000)	-
Net income	$ 2,047,082	$ 1,666,287	$ 1,505,267

See Notes to Consolidated Financial Statements

MONKEE'S FRANCHISING, LLC
Consolidated Statements of Members' Equity
Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Members' Equity, beginning	$ **1,795,957**	$ 2,129,670	$ 1,024,403
Net income	**2,047,082**	1,666,287	1,505,267
Member distributions	**(1,600,000)**	(2,000,000)	(400,000)
Members' Equity, ending	$ **2,243,039**	$ 1,795,957	$ 2,129,670

See Notes to Consolidated Financial Statements

MONKEE'S FRANCHISING, LLC
Consolidated Statements of Cash Flows
Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Cash flows from operating activities:			
Net income	$ 2,047,082	$ 1,666,287	$ 1,505,267
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,078	2,788	3,777
Non-cash lease expense	(337)	1,955	991
Loss on disposal of PPE	-	769	-
(Increase) decrease in:			
Accounts receivable	(50,013)	(36,525)	(71,664)
Prepaid expenses	(38,035)	2,186	(17,580)
Inventory	99,581	(215,196)	(150,208)
Deferred franchise expenses	-	-	15,229
Increase (decrease) in:			
Accounts payable	26,212	29,135	(31,204)
Accrued expenses	12,396	(1,504)	8,894
Deferred franchise fees	(240,856)	91,510	162,642
Other current liabilities	(14,250)	14,250	-
Net cash provided by operating activities	1,843,858	1,555,655	1,426,144
Cash flows from financing activities:			
Member withdrawals	(1,600,000)	(2,000,000)	(400,000)
Net cash used in financing activities	(1,600,000)	(2,000,000)	(400,000)
Increase (decrease) in cash, cash equivalents and restricted cash	243,858	(444,345)	1,026,144
Cash and cash equivalents, beginning of year	1,728,661	2,173,006	1,146,862
Cash and cash equivalents, end of year	$ 1,972,519	$ 1,728,661	$ 2,173,006
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	$ 1,103,599	$ 1,069,026	$ 1,652,190
Restricted cash	868,920	659,635	520,816
	$ 1,972,519	$ 1,728,661	$ 2,173,006
Supplemental disclosures of cash flow information:			
Cash payments for interest	$ -	$ -	$ 505
Cash payments for income tax	$ 89,541	$ 72,000	$ -

See Notes to Consolidated Financial Statements

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Monkee's Franchising, LLC, was organized under North Carolina law on May 2, 2012. The Company sells franchises of Monkee's to franchisees who operate upscale ladies shoes, clothing and accessories stores primarily in the southeastern United States. The franchisees pay an initial franchise fee and monthly royalty and brand fees based on a percentage of sales.

Monkee's, LLC, was organized under North Carolina law on August 2, 2000, to sell licenses for Monkee's stores. It was later discovered, however, that sales of such licenses may have actually been sales of franchises under the Federal Trade Commission Franchise Rule's definition of a franchise. Accordingly, Monkee's, LLC, halted the sales of licenses, and began selling franchises in 2011 in a manner required to comply with the Federal Trade Commission's Rule.

In years prior to 2012, the franchises and all intellectual property as well as license agreements for Monkee's stores were owned by Monkee's, LLC. The members of Monkee's, LLC, transferred all of their membership interests in Monkee's, LLC, to Monkee's Franchising, LLC in exchange for an equal interest in Monkee's Franchising, LLC, in 2012. Monkee's, LLC, thus became a wholly owned subsidiary of Monkee's Franchising, LLC. This transaction was a Type F tax-free reorganization under the Internal Revenue Code.

Monkee's, LLC, assigned its three franchise agreements and all related intellectual property including the right to sell "Monkee's" franchises in the future to Monkee's Franchising, LLC, effective June 1, 2012.

A summary of significant accounting policies follows:

Basis of Accounting

The Company prepares financial statements in accordance with accounting principles generally accepted in the United States of America which includes the accrual method of accounting.

Principles of Consolidation

Monkee's, LLC, became a 100% owned subsidiary in a tax free type F reorganization of Monkee's Franchising, LLC, effective June 1, 2012, in a reverse acquisition. All significant intercompany balances and transactions have been eliminated upon consolidation.

Cash, Cash Equivalents and Restricted Cash

For purposes of reporting the statements of cash flows, the Company includes all cash and cash equivalents, restricted cash, and all highly liquid investments with an original maturity of three months or less as cash and cash equivalents. Restricted cash includes brand fund fees, pursuant to franchise agreements, collected to be used towards advertising.

Inventory

Inventory consists of store packaging and supplies and is stated at the lower of cost or net realizable value using the first-in, first-out method.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Company estimates its allowance for credit losses by considering a number of factors, including the length of time accounts receivable are past due, previous loss history, the customer's current ability to pay its obligation and the condition of the general economy and the industry as a whole. The Company writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited against credit loss expense. Based on management's assessment of the credit history with customers having outstanding balances and their ability to pay, management has concluded that an allowance for credit losses at year end is necessary of $9,051 as of December 31, 2024. There was no allowance for credit losses as of December 31, 2023 and 2022.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets.

Advertising

Advertising is expensed in the period incurred. Total advertising expense for the years ended December 31, 2024, 2023 and 2022 were $292,893, $261,577 and $150,503, respectively.

Web Site Costs

Intangible assets consist of capitalized web site costs and are amortized over the useful life of the respective asset using the straight-line method. All intangible assets are measured for impairment at each reporting period. Intangible assets considered impaired are written down to estimated fair value, which becomes the new carrying value. All website costs have been fully amortized.

Leases

At the inception of a lease, the Company assesses whether the lease represents an operating or financing lease. Operating leases are included in the balance sheet as a right-of-use ("ROU") asset and a corresponding lease liability. Financing leases are recorded in property and equipment and corresponding lease liability. The Company has elected not to recognize a right-of-use asset or lease liability for leases with an initial term of 12 months or less that do not include a purchase option that is reasonably expected to be exercised. The expense associated with short-term leases is included in lease expense in the accompanying statements of income.

Right-of use assets and lease liabilities are recognized at the commencement date. The lease liabilities are measured at the present value of the lease payments over the lease term. The Company uses the rate implicit in the lease if it is determinable. If not determinable, the Company has elected the practical expedient to use the risk-free rate for all classes of underlying assets. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. To the extent a lease agreement includes both lease and nonlease components, the Company has elected to account for lease and nonlease components separately.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Cost Recognition

The Company derives its revenues primarily from initial franchise fees as stipulated in the franchise agreement, and monthly franchise, brand fund, and license fees. In addition, the Company earns revenue from the sale of merchandise and supplies to its franchisees.

For performance obligations related to the initial franchise fee, revenue is recognized over time as separate performance obligations are met. Under ASC 606, 10% initial franchise fees are being recognized at the time the franchise agreement is signed, 45% at the time the lease agreement is signed and 45% at the time the store is opened. The Company has elected to apply the practical expedient to expense direct costs, such as sales commissions and associated personnel costs, as incurred when the expected amortization period is one year or less.

Monthly franchise royalties, brand fund fees, and license fees are recognized monthly at a point in time consistent with the period in which the store sales are generated.

Sales of merchandise and supplies inventory are recognized upon shipment to the customer (point in time). Event sponsorship income is recognized at the point in time of when the event occurs.

Due to the nature of the Company's business, there is typically no significant variable consideration, such as discounts, allowances, and returns. However, if variable consideration is deemed significant, variable consideration is estimated at the most likely amount that is expected to be earned. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience and known trends.

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2024	2023	2022
Performance obligations satisfied over time	$ **578,355**	$ 603,491	$ 652,858
Performance obligations satisfied at a point in time	**3,655,421**	3,253,997	2,768,314
	$ **4,233,776**	$ 3,857,488	$ 3,421,172

Initial license or franchise fees received prior to the recognition of revenue are recorded as deferred franchise fees. Deferred franchise fee income at December 31 are as follows:

	2024	2023	2022
Deferred franchise fees received	$ **315,764**	$ 556,620	$ 465,110
Prior year deferred fees recognized as income	**435,896**	310,645	251,910

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through March 20, 2025, which is the date the consolidated financial statements were available to be issued.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

The Company maintains cash balances at a local financial institution. The cash balances in the financial institution are insured up to $250,000. The Company exceeded that limit at times during the year.

NOTE 3 - LICENSE AGREEMENTS

The standard license agreement sold to Licensees covered one store located in a specific location and had no designated time period. Monkee's, LLC's approval must be obtained for a licensed store to be moved. The license allows the licensee to use the name, "Monkee's" and the distinctive logo, design, decor, business methods and other advantages and benefits exclusively at the location designated. Monkee's, LLC, will exercise its best efforts to maintain access to lines of merchandise carried in all licensed Monkee's stores, provide licensee information on current vendor agreements and from time to time provide advice on inventory levels, pricing and vendors to carry on hand.

After 2010, Monkee's, LLC, discontinued issuing new license agreements because it was determined that the license sales may have actually been sales of franchises under the Federal Trade Commission's definition of a franchise. Because Monkee's, LLC, no longer sells license agreements, it no longer has any duties relating to store openings or the giving of advice relating to beginning operations.

The licensee is required to pay monthly license fees generally of 4% of sales during the first 3 years of operation and 4.5% thereafter.

No initial license fees were received or recognized in income in 2024, 2023 or 2022.

NOTE 3 - LICENSE AGREEMENTS (Continued)

Licensed stores in operation at December 31 were:

	2024	2023	2022
Stores beginning of year	**1**	1	1
Stores converted to license stores	-	-	-
Stores closed	-	-	-
Stores at end of year	**1**	1	1

NOTE 4 - FRANCHISE AGREEMENTS

Monkee's Franchising, LLC, offers franchise stores with disclosures required under the Federal Trade Commission's franchise rules. The standard franchise agreement requires an initial fee of $60,000 which covers a specified location for ten years. The agreements provide a renewal period of ten years at a cost of $500 per renewal. The franchisee is required to pay monthly royalties between 4% and 5% of gross receipts and monthly brand fund fees between 1% and 2% of gross receipts. The purpose of the brand fund is to advertise and promote the brand and the Monkee's stores collectively. The Company directs all marketing that the fund finances with sole control. The Company accounts for the brand fund separately from its other monies and may charge the fund for expenses the Company incurs in activities reasonably related to the fund and its programs. During the years ended December 31, 2024, 2023 and 2022, charges of $676,939, $627,047 and $476,002 were made against the fund, respectively.

Franchise stores in operation consisted of the following at December 31:

	2024	2023	2022
Stores beginning of year	**46**	37	29
New stores opened	**13**	9	9
Stores converted from license stores	-	-	-
Store sold to affiliate	-	-	-
Store closed	**(1)**	-	(1)
Stores at end of year	**58**	46	37

NOTE 5 - OPERATING LEASE

The Company is obligated under a non-cancellable operating lease through June 30, 2026 for office space. Lease payments escalate by 3.5% annually.

The components of lease expense for the year ended December 31 are as follows:

	2024	2023	2022
Operating lease expense	$ **33,859**	$ 34,997	$ 30,492
Short term lease expense	**4,588**	4,550	700
	$ **38,447**	$ 39,547	$ 31,192

NOTE 5 - OPERATING LEASE (Continued)

Other information:

Weighted-average remaining lease term in years for operating leases	1.50
Weighted-average discount rate for operating leases	4.49%

Maturities of operating lease payments due are as follows as of December 31, 2024:

December 31, 2025	$ 35,395
December 31, 2026	18,002
Less: present value discount	(1,672)
Total lease liabilities	$ 51,725

NOTE 6 - RELATED PARTY TRANSACTIONS

Each member of the Company owns and operates one Monkee's store. These entities did not pay any initial license fees and do not pay any monthly royalty license fees to the Company. Inventory sales to these two stores amounted to $22,355, $25,117 and $9,914 for the years ended December 31, 2024, 2023 and 2022, respectively.

NOTE 7 - INCOME TAXES

The Company and its subsidiary are taxed as an S corporation. Therefore, the financial statements do not reflect a provision for income taxes, as the income and loss of the entity are required to be reported by the members' in their individual federal and state income tax returns. The Company elected to be a Taxed Pass-through Entity ("PTE") beginning in the fiscal year ended December 31, 2023. This election allows the Company to pay state income taxes (in states where applicable and allowed) on the share of income for all stockholders. The Taxed PTE is imposed at the individual income tax rate for the applicable tax year. This election allows each stockholder to deduct the share of the Taxed PTE's income on the members' individual income tax return. State income taxes paid related to the PTE election totaled $89,541 and $72,000 during the years ended December 31, 2024 and 2023, respectively, which is included in income tax expense in the accompanying statements of income.

It is the Company's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the financial statements. No material uncertain tax positions were identified for 2024, 2023, and 2022. Any changes in the amount of a tax position will be recognized in the period the change occurs. The Company's income tax returns are still subject to examination by the Internal Revenue Service and various other state taxing authorities, generally for three years after they were filed.

MONKEE'S FRANCHISING, LLC **Schedule 1**
Consolidated Schedules of Licensing and Franchising Operating Expenses
Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Salaries and wages	$ 1,057,386	$ 1,112,188	$ 1,039,233
Payroll taxes	85,348	87,799	77,978
Office expenses	26,040	28,407	33,291
Travel and entertainment	62,492	61,929	80,230
Retreat expense	387	59,216	15,105
Conference Fees	14,087	-	-
Legal fees	31,438	29,746	64,469
Accounting	53,130	50,795	46,908
Contract services	15,000	-	-
Rent	38,447	39,547	31,192
Telephone	8,371	8,899	7,608
Website and email	8,850	9,171	15,420
Advertising and marketing	292,893	261,577	150,503
Insurance	65,494	74,655	66,420
Dues and subscription	8,359	8,469	3,987
Depreciation	2,078	2,788	3,777
Store opening expenses	27,664	8,017	21,458
Taxes and licenses	4,047	2,720	1,347
Miscellaneous	122,034	79,641	83,874
Bad debt	9,052.00	1,251	2,234
IT Fees	14,723	13,476	-
Total licensing and Franchising Operating Expenses	$ 1,947,320	$ 1,940,291	$ 1,745,034

See Independent Auditor's Report

EXHIBIT B FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made effective this _____ day of _____, 2025 (the "Effective Date") by and between Monkee's Franchising, LLC, a North Carolina limited liability company ("Franchisor"), and_____, a _____ ("Franchisee"). Franchisor and Franchisee shall be referred to herein individually as a "Party" and collectively as the "Parties".

A. WHEREAS**,** Franchisor is the owner of certain trademarks, tradenames, service marks and other indicia of origin and commercial and trade symbols, including the name, MONKEE'S® and registrations thereof, and, from time to time, may develop and authorize for use in the System (as defined) other trademarks, tradenames, service marks and other indicia of origin and commercial and trade symbols (collectively referred to as, the "Marks");

B. WHEREAS, Franchisor has developed a unique and proprietary system, including without limitation, operating procedures, training procedures and materials, signs, graphics, names, logos and other decorative features, for its operations and management of independently-owned stores that display, offer and sell high-quality ladies' shoes, clothing, accessories and ancillary products to consumers, which stores operate under, and in association with, the Marks (the "System"), which System may be supplemented, improved and modified from time to time by Franchisor, and is engaged in the businessof operating and granting franchises to operate MONKEE'S stores;

C. WHEREAS, Franchisee has investigated and become familiar with the System, anddesires to obtain a franchise to operate one MONKEE'S store under the Marks and the System (the "Store") at the physical location designated in Exhibit A (the "Location"); and

D. WHEREAS, Franchisor wishes to grant to Franchisee this franchise, on the terms and subject to the conditions of this Agreement;

NOW, THEREFORE in consideration of the recitals, promises and covenants of each party to the other as set forth herein, the Parties agree as follows:

ARTICLE 1 GRANT OF LICENSE

1.1 Subject to the terms of this Agreement, Franchisor hereby grants to Franchisee the non-exclusive right, and Franchisee undertakes the obligation, to develop and operate a retail, upscale ladies' shoe, clothing, accessories and ancillary products store, using the Marks and the System, exclusively at the Location. Franchisee will operate the Store pursuant to this Agreement during the Term (defined in Section 13) and acknowledges the importance of operating the Store in strict conformance with the System, the Manual and this Agreement in order to maximize public acceptance of, and demand for, all MONKEE'S stores. Franchisee may not use the System or any component thereof or any intellectual property rights therein or arising therefrom in connection with any other business or activities anywherein the world at any time, or via any other channel, including the Internet, except as expressly permitted in this Agreement.

1.2 Franchisee acknowledges and agrees that all duties, covenants and obligations of Franchisee under this Agreement are material to Franchisor as a condition of granting this license to Franchisee. Unless otherwise agreed by Franchisor in writing, the grant in Section 1.1 is subject to: (a) the execution and delivery, by Franchisee, of this Agreement; (b) the execution and delivery, by such persons or entities as Franchisor designates, of the Guarantee attached hereto as Exhibit B; and of the Confidentiality Agreement attached here to as Exhibit C; and (c) payment to Franchisor of the Initial Fee referred to in Section 5.1.

ARTICLE 2 LIMITED EXCLUSIVITY

2.1 As of the Effective Date, and as indicated on Exhibit A, Franchisee either (a) found and Franchisor approved the Location, and Franchisee negotiated and Franchisor approved the Store's lease (the "Lease"), or (b) Franchisee contemplates the establishment of a Location at the center of the geographic area identified in Exhibit A and, upon Franchisor's approval of the Location, Franchisee shall negotiate the Lease in connection with the Location. The negotiated Lease must be approved byFranchisor prior to Franchisee's execution of the Lease. Once a Location is secured for operation of the Store, Exhibit A will be automatically completed to include the street address of such Location. Franchisee agrees that, if the specific location is not determined on or before the Effective Date, that circumstance alone shall not constitute a failure of the parties to specific essential terms of this Agreementor otherwise cause the terms of this Agreement to be unenforceable; provided, however, that such specificlocation must be determined, and the Lease therefore executed no later than 6 calendar months after the Effective Date.

2.2 Franchisor's approval of the Location and Lease are not representations or warranties of any kind, express or implied, of the Location's suitability for a MONKEE'S Store, of the successful operation or profitability of a MONKEE'S Store at the Location or that any specific Lease terms are appropriate, or for any other purpose. Franchisor's approval of the Location proposed by Franchisee indicates only that the Location meets Franchisor's criteria for site selection as of the Effective Date. Franchisee acknowledges that criteria for success that appear effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors could change, altering a site's potential. The uncertainty and instability of these criteria are beyond Franchisor's control, and Franchisor is not responsible if the Location fails to meet Franchisee's expectations. Franchisee acknowledges that it conducted, or will conduct, its own independent investigation of the Location's suitability for the Store and is satisfied or will satisfy itself that the Location was or is appropriate. In the event that a lease is not executed in connection with an approved location within 6 calendar months from the Effective Date, Franchisor may, but is not obligated to, grant an extension of time for Franchisee to secure a suitable site.

2.3 Franchisee may not move or relocate the Store to a location other than the Location without Franchisor's prior written consent. Selection of an alternative location will be subject to the site approval procedures set forth in the then-current Manual (defined in Section 3.4). Any relocation will beat Franchisee's sole expense, and Franchisee shall promptly reimburse Franchisor's costs for its involvement in the relocation process. If Franchisee relocates the Store, Franchisee agrees, as a condition of that relocation and at its own expense, and within the timeframe Franchisor specifies, to take all action Franchisor requires to de-brand and de-identify the Store's former Location so that it no longer is associated in any manner (in Franchisor's sole opinion) with the Marks and the System, and to upfit the new location as required under the then-current version of the Manual. Once Franchisee has obtained Franchisor's approval to relocate the Store, Franchisee shall diligently pursue such relocation until thenew Store is opened for business. As of the first date on which the new Store opens for business, ExhibitA shall automatically be amended to replace the Location identified therein with the new Location.

2.4 During the Term, Franchisor will not own, operate, or grant a franchise for a MONKEE'S Store that is physically located within the area described in Exhibit A (the "Protected Area"). Franchisee agrees that any ownership, operations or grant by Franchisor of a franchise to MONKEE'S stores outside of the Protected Area is completely unrestricted. Except as expressly provided in this Section 2.4, Franchisor shall have the absolute right to own, operate and offer franchises in connection with any brand or business at one or more locations, and through any distribution channel, without any regard to any adverse effects of such activities on the business of Franchisee and without any obligation or liability to Franchisee. The rights of Franchisor include the right to offer and sell products and other items identified by the Marks or any other trademarks or service marks to any customers, and through any distribution channels (including, but not limited to, the Internet, retail stores not using the Marks, mail order, and other points and methods of distribution). Franchisee acknowledges and agrees that, except as expressly provided

to the contrary in this Section 2.4, Franchisee's rights under this Agreement are non-exclusive.

2.5 Franchisee acknowledges that, as a condition of Franchisor's approval of the Lease, Franchisee shall have entered into the Collateral Assignment of Lease agreement attached hereto at Exhibit D with Franchisor in connection with the lease of the Store and that the lessor under such Lease shall execute a Consent to Collateral Assignment of Lease and Agreement of Lessor in the form attached thereto. Such Collateral Assignment of Lease and Consent to Collateral Assignment of Lease and Agreement of Lessor shall be attached to the Lease at the time of submission to Franchisor for approval ofsaid Lease. Franchisee further acknowledges that, without limiting any other rights or remedies of Franchisor under Article 17 hereof, upon the occurrence of an "Event of Assignment," as that term is defined in the Collateral Assignment of Lease, Franchisor shall have the option, but not the obligation, to exercise the rights set forth therein, including, but not limited to, taking possession of the Store and assuming the obligations of Franchisee under the Lease, which in turn may result in the termination ofthis Franchise Agreement and the forfeiture of Franchisee's rights under the Lease, including to operate a business on the premises of the leased property.

ARTICLE 3 DUTIES OF FRANCHISOR

3.1 Franchisor provides an initial training program consisting of training at Franchisor's corporate offices and at a MONKEE'S store location selected by Franchisor, and two (2) to three (3) days of on-site training at the Location prior to the date on which the Store is open to the general public for business. Prior to the opening of the Store, Franchisee and Franchisee's Manager (defined in Section 4.7) (if applicable) shall successfully complete, to Franchisor's sole satisfaction, the initial training program. All training except the two (2) to three (3) days of on-site training at the Location shall be completed by Franchisee at least two (2) months prior to the date of initial Store opening. Franchisor requires any employee subsequently hired by Franchisee as a Manager to complete the initial training program as set forth in the Manual, to Franchisor's sole satisfaction. From time to time and as Franchisor deems appropriate, Franchisor may offer additional training and may require Franchisee, its Manager or other employees to attend such training. Franchisee shall be responsible for all travel, lodging and living expenses, including meals, for Franchisee, its Manager or employees, which are incurred in connection with all initial and additional training. In addition, Franchisor reserves the right in the future to charge Franchisee a fee for any additional training provided by Franchisor.

3.2 Franchisor shall have the right to approve or disapprove in advance all items and services to be sold by the Store. Franchisor may withdraw its approval of previously-authorized products and services. Franchisor will exercise its commercially reasonable efforts to obtain and maintain access to the lines of merchandise carried by a majority of Monkee's stores operating under the System. Franchisor will facilitate meetings with vendors and Franchisee during the first year of the Term. Franchisee acknowledges that a vendor may decline to sell their products to Franchisee or to any franchisee operatingwithin the System. At Franchisee's request and subject to availability, Franchisor may from time to time assist in contract negotiations with vendors on Franchisee's behalf to obtain favorable financial terms for Franchisee. Franchisor may consult with Franchisee's suppliers about Franchisee's account status with them and may advise those suppliers and others with whom Franchisee deals that Franchisee is in default

under any agreement with Franchisor (but only if Franchisor has notified Franchisee of that default in writing and Franchisee has failed to cure that default within the required timeframe, if applicable). For avoidance of doubt, such disclosure to suppliers shall not constitute a breach by Franchisor of this or any other Agreement by and between the parties.

3.3 Franchisor may conduct, as it deems advisable, on-site reviews, inspections and consultations (each, a "Site Visit") of Franchisee's operations at the Store.

3.4 At the end of Franchisee's successful completion of the initial training program, Franchisor

shall loan Franchisee one copy of the Franchisor's confidential Operations Manual (the"Manual"). By means of updates to the Manual, which may be furnished via online access or by means of email, Site Visits or otherwise, Franchisor will furnish to Franchisee from time to time, as Franchisor deems appropriate, techniques and requirements for managing and operating the Franchised Business. The Manual may include audio, video, computer software, other electronic media and/or written materials. Franchisor may modify the Manual periodically to reflect changes in System standards. Franchisee must keep access codes to, and other information in, the Manual current and in a secure location at the Store. Franchisor's master version of the Manual controls in the event of a dispute between Franchisee and Franchisor over the Manual's contents. Franchisee agrees that the Manual and itscontents are confidential and at all times remains the sole property of Franchisor. Franchisee may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual (except as Franchisor allows for training and operating purposes). If Franchisor posts the Manual on an Intranet, Franchiseeshall monitor and access the Intranet for updates to the Manual.

3.5 Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any designee, employee, or agent of Franchisor, as Franchisor may direct.

ARTICLE 4 DUTIES OF FRANCHISEE

4.1 Franchisee understands and acknowledges that every detail of the Store and its management is important to Franchisee, Franchisor, and other Monkee's stores in order to develop and maintain high operating and public safety standards, to increase the demand for the services and products offered, promoted, and sold by all businesses operating under the System, and to protect Franchisor's reputation and goodwill. Franchisee shall maintain Franchisor's standards with respect to facilities, services, products, operations, safety, customer relations, consistency and appearance, at its own expense, as required by Franchisor, including as set forth in the Manual.

4.2 Franchisee shall operate the Store in strict conformity with such methods, standards, specifications and requirements, with respect to the physical store and all operations, as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Franchisee shall not deviate from the methods, standards, specifications, and requirements set forth in the Manual without Franchisor's express prior written consent. Franchisee acknowledges that Franchisee shall be solely responsible for its compliance with applicable laws, including, but not limited to, ensuring that its facilities are in compliance with the Americans with Disabilities Act (as it may be amended), and that its facilities, equipment and procedures comply with all applicable rules and regulations of the United States Occupational Safety and Health Administration or any similar federal, state or local agency. Franchisee shall treat the Manual, any other manuals created for or approved for use in the operation of the System, and the information contained therein, as confidential, and shall use all reasonable efforts to maintainsuch information as secret and confidential. Franchisee represents and warrants that Franchisee and its officers, directors, managers, employees, agents, contractors and any other personnel having access to any Confidential Information, including but not limited to the Manual, shall each execute a ConfidentialityAgreement in the form attached hereto as Exhibit C to this Agreement.

4.3 During the first six (6) months the Store is open for business, Franchisee shall offer for sale from the Store such preferred designers' lines and merchandise mixes as we may recommend to be carried in the Store's inventory, subject to vendors' acceptance of Franchisee's purchase orders. Franchisee acknowledges that during the Term, Franchisor may revise the Manual to establish an ideal inventory mix for MONKEE'S Stores, taking into account regional and market differences as well as years of operation; provided, however, that Franchisee's failure to abide by such ideal inventory mix shallnot be deemed a material breach of this Agreement if, at the time of such failure, Franchisee represents in writing that the Store is profitable and if the Store has been open for business for at least 24 consecutive months.

4.4 During the initial twelve (12) months the Store is open for business, Franchisee shall attend the market in Atlanta, Georgia, or other city the Franchisor designates, not less than twice per calendar year on the dates set by Franchisor. Franchisor, in its discretion and as practicable, shall accompany Franchisee during Franchisee's meetings with vendors at market. Upon request of Franchisor, Franchisee shall provide preliminary purchase orders to Franchisor for comment prior to submission to vendors and shall take into consideration the advice of Franchisor in connection with such purchase orders.

4.5 Franchisee shall undertake and participate in advertising and promotional programs as specified herein and in the Manual.

4.6 Franchisee will obtain, install and use the computer hardware and software, including point-of-sale and other electronic information systems, a high-speed Internet connection, voicemail available to consumers calling the Store, and all equipment components and software necessary for Franchisee to accept and process Franchisor's gift and loyalty cards and participate in Franchisor's gift card, customer loyalty, affinity, and similar programs as Franchisor specifies from time to time, including in the Manual (the "Computer System").

(a) Modification of the Computer System's specifications, and/or other technological developments or events, will require Franchisee to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the Term. Although Franchisor cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over the Term, Franchisee agrees to obtain the computer hardware and software comprising the Computer System (and additions and modifications) and required service or support. Franchisor may implement new proprietary programs or update its hardware requirements upon written notification through the Manual orotherwise. Within 60 days after Franchisor updates the requirements for one or more components of the Computer System, Franchisee shall purchase or obtain the Computer System components Franchisor designates and ensure that its Computer System, as modified, is functioning properly. Franchisee acknowledges that Franchisor will not reimburse Franchisee for any Computer System costs. In the event that Franchisee desires to utilize any computerhardware or software that has not been approved in advance by Franchisor in the Manual or otherwise, Franchisee shall submit to Franchisor such information relating to such hardware or software as Franchisor may require to evaluate such hardware and software, including an evaluation of functionality and compatibility with other Computer System components. Franchisor, in its sole discretion, may

approve or disapprove such proposed hardware or software. For avoidance of doubt, Franchisee shall not install or use any computer hardware or software unless Franchisor has pre-approved of such hardware or software in writing.

(b) Franchisee shall execute such end-user software license agreements as are reasonably requested by Franchisor and/or the applicable vendor to be executed. Franchisor may charge Franchisee a fee for such software or technology up-front and ongoing weekly, monthly, or other fees for any required proprietary software or technology licensed to Franchisee and for other maintenance, support, and access services Franchisor provides during the Term, all as set forth in theManual. Franchisee acknowledges and agrees that any data stored in or compiled by the Computer System shall be the exclusive property of Franchisor, including without limitation, customer lists. Franchisee agrees to obtain and maintain, atits own

expense, such computer hardware as may be necessary to efficiently utilize each proprietary program, as may be determined by Franchisor or otherwise designated by the license for such proprietary program.

(c) Franchisee has sole and complete responsibility for: (a) the acquisition, operation, maintenance, and upgrading of the Computer System; (b) the manner in which the Computer System interfaces with Franchisor's and any third-party's computer system; and (c) any and all consequences to Franchisor or Franchisee if the Computer System is not properly operated, maintained, and upgraded by Franchisee. The Computer System must permit 24 hours per day, 7 days per week electronic communications between Franchisee and Franchisor, including access to the Internet and Franchisor's then current website and intranet (ifapplicable), for the purpose of polling and other legitimate business needs of Franchisor. Throughout the Term, Franchisor will have unlimited, independent access to the Computer System.

(d) Franchisee shall abide by all applicable laws and payment card industry standards pertaining to the privacy and security of consumer, employee and transactional information ("Privacy Laws"). Franchisee shall comply with Franchisor's System standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's Systemstandards and policies pertaining to Privacy Laws and applicable law, Franchisee shall:
(1) comply with the requirements of applicable law; (2) immediately give Franchisor written notice of said conflict; and (3) promptly and fully cooperate with Franchisor and its counsel to determine the most effective way, if any, to meet Franchisor's System standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee shall not publish, disseminate, implement, revise or rescind adata privacy policy without Franchisor's prior written consent. Franchisee shall encrypt personally identifiable information about customers and employees as requiredby Privacy Laws or the Manual and follow all notification requirements, with a copy of all of Franchisee's inbound notices to Franchisor, if any data breach, hack or unauthorized access event occurs.

4.7 Franchisee shall maintain a competent, conscientious, illegal-substance-free, trained staff, including a fully-trained professional store manager(s) (who may be Franchisee, if Franchisee is an individual) for the Store (the "Manager"). The Manager shall devote full time and attention to the management and operation of the Store; and Franchisee shall at all times staff the Store with such number of employees, and operate the Store diligently, so as to promote customer and employee safety and satisfaction and to maximize the revenues and profits therefrom. Whether or not Franchisee is the Manager of the Store, Franchisee shall at all times during the Term be an active owner of the business, engaged in the day-in, day-out operation and pursuit of increasing revenues at the Store. Franchisee shall take steps necessary to ensure that its employees promote customer and employee safety; preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as Franchisor may establish from time to time in the Manual. Franchisee and its employees shall conduct themselves in a manner that will not detract from the name and goodwill of Franchisor. Franchisee acknowledges and agrees that Franchisee shall be solely responsible for all employment decisions and functions of the Store, including, without limitation, those related to hiring, firing, training, establishing wage and hour requirements, insurance and worker's compensation, record keeping, supervision, and discipline and record-keeping of employees.

4.8 Franchisor shall make available, at no charge to Franchisee, and periodically throughout the Term via the Manual, a list of packaging, boxes and bags required to be used by Franchisee in operating

the Store ("Required Supplies"). Franchisee is required to purchase the Required Supplies from Franchisor or suppliers designated by Franchisor, and shall purchase such Required Supplies on an as needed basis in accordance with the Manual.

4.9 Franchisee agrees to implement any changes in System standards reflected in the Manual or otherwise notified by Franchisor within the time period Franchisor requests. Such changes mayinclude, without limitation, refurbishing, redecorating or remodeling the Store, buying new furnishings or equipment, adding new products and services, or otherwise modifying the nature of the Store's operations, as required in order to bring the Store up to the then-current operational standards and image of MONKEE'S, and to enhance the System. There are no limits on the cost or frequency of Franchisee's expenditures for changes in the Computer System, changes in the Store required by the Lease or applicable law, changes in the Store in connection with the renewal or acquisition of a successor franchiseagreement for the Store, or maintaining the Store's furnishings and equipment in a manner consistent withthe MONKEE'S image and quality. However, Franchisor will not require Franchisee to remodel or face- lift the Store more than once in every 5- year period following the opening of the Store for business, and, while there is no cap on the related costs, Franchisee will have 180 days to complete any remodeling or face-lift project the costs of which exceed $1,500.

4.10 Franchisee shall use such contracts, invoices and other standard forms (collectively, the "Forms") as Franchisor may periodically prescribe. Franchisor does not guarantee, and shall not be liable for, the validity or enforceability of any Forms under applicable law, including local law. Franchisee shall operate the Store and shall perform its obligations hereunder in accordance with laws applicable to the Store.

4.11 Franchisee shall not implement any change, modification, amendment, or improvement to the System without the express prior written consent of Franchisor. Franchisee shall notify Franchisor in writing of any change, modification, amendment, or improvement in the System which Franchisee proposes to make, and shall provide to Franchisor such information as Franchisor requests regarding the proposed change, modification, amendment, or improvement. No such change, modification, amendment or improvement shall be implemented or made without Franchisor's express prior written consent.Franchisee acknowledges and agrees that Franchisor shall have the right to incorporate the proposed change, modification, amendment, or improvement into the System and shall obtain all right, title, and interest therein without compensation to Franchisee, including, without limitation, any rights to any patents, patent improvements, trademarks, trade secrets and copyrights. Franchisee further acknowledges and agrees to execute any such documentation, from time to time, as may be required by Franchisor to give effect to this section.

4.12 Franchisee shall comply with all terms of its lease or sublease, if any, and all other agreements affecting the location and operation of the Store; shall undertake its best efforts to maintain a good and positive working relationship with its landlord and/or lessor and its tenants and/or lessees, and shall refrain from any activity which could jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the premises of the Store, if any.

4.13 Franchisee shall attend at its own expense such regional or national meetings and gatherings as Franchisor deems necessary at dates and locations selected by Franchisor.

4.14 Attached as Exhibit A hereto is a list, as of the Effective Date, of all owners, members, shareholders, or partners of record and all beneficial owners of any class of voting securities of Franchisee. Franchisee represents, warrants and covenants that the owners, members, shareholders, or partners of record, and all beneficial owners of any class of voting security of Franchisee as of the Effective Date are described on Exhibit A hereto. Franchisee hereby agrees to notify Franchisor of any change to Exhibit A within 3 business days of any such change. Failure to provide such notice shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant

to Article 17.

4.15 If, as a result of a Site Visit, on-site review or consultation, any deficiencies related to the Store are identified, Franchisee agrees to correct such deficiency within such time as Franchisor may designate in writing. If Franchisee fails to correct such deficiencies in a manner satisfactory to Franchisor within such designated time-frame, Franchisor shall have the right, but not the obligation, to enter the premises of the Store, without being guilty of trespass, and take such action as is necessary to correct such deficiency, and Franchisee shall reimburse Franchisor its costs and expenses in connection therewith upon demand. The foregoing rights are in addition to all other rights and remedies available to Franchisor under this Agreement.

4.16 Franchisor specifically reserves the right and privilege, in its sole discretion, to grant a limited variation from its standards for any franchise based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices or any other condition which Franchisor deems to be vital to the success of such Franchisee's business. Franchisor also reserves the absolute right to deny requests for any such variations which Franchisor determines, in its sole discretion, would not be in the best interest of the System.

ARTICLE 5 FEES

5.1 Franchisee shall pay to Franchisor, concurrently with the execution of this Agreement, an initial franchise fee ("Initial Fee") of $60,000. If Franchisee is already a MONKEE'S franchisee and is buying an additional MONKEE'S franchise, the Initial Fee will be $30,000. The entire Initial Fee is fully earned and non-refundable and is made in consideration of administrative and other expenses incurred by Franchisor in entering into this Agreement and for Franchisor's lost or deferred opportunity to enter into this Agreement with others.

5.2 Franchisee shall promptly notify Franchisor in writing of the date on which the Store opened for business. Beginning on the date the Store opens for the first time, Franchisee shall pay to Franchisor a royalty ("Royalty") equal to the Store's Gross Receipts multiplied by five percent (5%) during each calendar month during the Term. Franchisor and Franchisee agree that the Royalty described herein shall be in consideration of Franchisee's use, pursuant to this Agreement, of such business processes, trade secrets, customer lists, know-how, trade names, trademarks, service marks, logos, emblems, trade dress and the intellectual property identified from time to time by Franchisor as comprising the System. Franchisee acknowledges and agrees that Franchisee's obligation to pay the monthly Royalty described herein shall not be predicated or conditioned upon the validity of any trademark or copyright claimed by Franchisor and used in the System. Franchisee acknowledges and agrees that no portion of the Royalty described in this Section 5.2 shall be attributable to any specific item of intellectual property, such as a copyright or trademark, as distinct from the System. In the event that a court of competent jurisdiction determines that an apportionment of the Royalty is necessary or appropriate, any copyright license granted to Franchisee hereunder shall be deemed to be royalty-free and made in consideration of the goodwill generated by Franchisee's proper use of the Marks and System. "Gross Receipts" means all revenue Franchisee derives from operating the Store and any other approved methods of distribution for products of the type carried at the Store, whether from cash, check, credit and debit card, barter exchange,trade credit, PayPal® or other form of online payment, or other credit transactions, and also includes all proceeds from business interruption insurance, but (a) excludes all federal, state, and municipal sales, use,or service taxes collected from customers and paid to the appropriate taxing authority, (b) excludes revenue Franchisee derives from selling or issuing MONKEE'S gift or loyalty cards (although revenue Franchisee derives from selling products to customers who use those cards for payment is included in Gross Receipts), (c) is reduced by the amount of any actual, documented refunds and credits the Store in good faith gives to customers (if those amounts originally were included in calculating Gross Receipts), and (d) excludes interest income on bank deposits.

5.3 Franchisor has established a national advertising fund (the "Brand Fund"), which shall be maintained and administered by Franchisor. Franchisee shall contribute an amount equal to the Store's Gross Receipts multiplied by two percent (2%) of its monthly Gross Receipts to the Brand Fund during each calendar month during the Term.

5.4 Beginning on the date the Store first opens, and each month or year thereafter, as the case may be, Franchisee shall pay, in connection with various software licenses, applications and Internet services, including electronic mail, each of the fees set forth in the Manual as each may be updated from time to time by Franchisor.

5.5 Franchisee shall pay an audit fee as described in Section 10.2 of this Agreement in the event that Franchisor inspects Franchisee's records and finds an underpayment of Royalties and Brand Fund Fees of at least three percent (3%) in any given month subject to the audit. Such audit fee shall be in addition to any interest payment required pursuant to Section 5.6 of this Agreement. If, at the scheduled time for such audit, Franchisee has not prepared the documentation required to conduct the audit, an audit un-prepared fee of an additional $500 shall be assessed Franchisee.

Beginning in the calendar month immediately following the month during which Franchisee begins operating the Store, on or before the 15th day of each calendar month during the Term, Franchisee shall report to Franchisor the Store's Gross Receipts for the immediately preceding month and shall accompany such report with the applicable Royalty and Brand Fund contributions then due. In each calendar month in which Franchisee fails to pay the Royalties and Brand Fund contributions when due, Franchisee also shall pay Franchisor an administration fee equal to the greater of $100 or four percent (4%) of the unpaid Royalty and Brand Fund contribution. Entitlement to such fee and/or interest shall be in addition to any other remedies Franchisor may have. Franchisee shall not be entitled to set-off any payments required to be made under this Section 5 against any monetary claim it may have against Franchisor. Franchisor reserves the right to apply any monies received from Franchisee to any of Franchisee's obligations as determined by Franchisor. Franchisee acknowledges and agrees that all payments described herein and any reports or statements required hereunder may be required by Franchisor to be made by electronic means, automatically or otherwise with the assistance of a proprietaryprogram. Franchisee agrees that for any electronic payments to be made under this Agreement, as specified in the Manual, Franchisee shall maintain a bank account which at all times will be funded with sufficient funds to make such payments.

5.6 Franchisee's failure to pay any Royalty or Brand Fund contribution on or before its due date is a material breach of this Agreement. Royalties, Brand Fund contributions, and other fees shall be deemed made when actually received by Franchisor.

5.7 Franchisee acknowledges and agrees that, in Franchisor's discretion during the Term, Franchisor may convert its payment system to one in which Franchisor, upon 90 days written notice to Franchisee, will require all Royalty and Brand Fund payments to be made via electronic funds transfer, which transfer may be initiated by Franchisee or by Franchisor as then set forth in the Manual. In the event that Franchisor requires the establishment of an electronic funds transfer account by Franchisee, Franchisee shall deposit and maintain sufficient funds in such account to cover Franchisor's withdrawals along with any fees or expenses associated with such transfer transactions and to report Gross Receipts as Franchisor requires. Franchisor may require Franchisee to pay any amounts due to Franchisor under this Agreement, or otherwise due in connection with the Store's operation, other than by automatic debit (*e.g.*,by check or wire transfer) whenever it deems appropriate, and Franchisee shall comply with Franchisor's payment instructions.

5.8 There are other fees applicable to your franchise. See Items 6 and 7 of the Franchise Disclosure Document (defined in Article 19.7 below) for a more complete listing of other fees that will

apply to your franchise.

5.9 All payments pursuant to this Article 5 are non-refundable. Franchisee shall pay to Franchisor all sales, excise, trademark, franchise, value added or similar taxes imposed on Franchisor on account of Franchisor's collection of any of the fees or payments called for by this Agreement as a result of Franchisee's operation of the Store; provided, however, this Section shall not apply to any income tax or any optional alternative to an income tax.

ARTICLE 6 ADVERTISING AND MARKETING

6.1 Franchisee shall conduct a grand opening advertising and market introduction program for the Store in compliance with Franchisor's guidelines beginning 1 month before and continuing until two (2) months after the Store opens for business. Franchisee must spend $5,000 on this program, which Franchisor will help Franchisee develop. Upon Franchisor's request, Franchisee will send Franchisor documentary support of Franchisee's actual expenditures in connection with its grand opening.

6.2 The purpose of the Brand Fund is to advertise and promote the Brand and the MONKEE'S stores, collectively (all such activities shall be collectively referred to as, "Marketing"). Franchisor will direct all Marketing that the Brand Fund finances, with sole control over the creative concepts, graphics, materials, communications media, and endorsements used and their geographic, market, and media placement and allocation. At Franchisor's sole discretion, the Brand Fund may be used for creating, preparing, and producing video, audio, and written materials, graphics, and electronic media; developing, implementing, operating, and maintaining MONKEE'S Sites (as defined in Section 9.1), Intranet and/or related strategies; administering national, regional, multi-regional, and local Marketing, including, without limitation, purchasing media advertising, conducting direct mail and other direct marketing campaigns, doing on-line Internet advertising and marketing (including paying click- through charges to search engines, banner advertising sources, and advertising host sites), conducting research and other marketing tactics, including customer surveys, and using advertising, promotion, custom resource management, graphic design, marketing, and research agencies and other advisors to provide assistance; supporting public relations, market research, customer satisfaction surveys; and engaging in other brand enhancement activities, including promoting the sale of franchises. The Brand Fund periodically will give Franchisee templates of Marketing formats and materials at no additional cost to Franchisee. Franchisor will sell Franchisee multiple copies of these materials at Franchisor's cost of producing them, plus any related shipping, handling, and storage charges.

Franchisor will account for the Brand Fund separately from its other monies (although Franchisor has no obligation to keep Brand Fund contributions in a separate bank account) and not use the Brand Fund for any of its general operating expenses. However, Franchisor may use the Brand Fund to pay for expenses Franchisor incurs in activities reasonably related to directing the Brand Fund and its programs, including, without limitation, reasonable salaries and benefits of personnel who manage and administerthe Brand Fund and administrative costs. Franchisor does not owe any fiduciary obligation to Franchisee for administering the Brand Fund or any other reason.

Franchisor intends the Brand Fund to maximize recognition, and enhance system protection, of the Marks and increase patronage of MONKEE'S Stores. Although Franchisor will endeavor to use the Brand Fund to develop Marketing materials and execute Marketing activities and programs benefiting all MONKEE'S Stores, Franchisee acknowledges and agrees that Brand Fund expenditures may not directly or proportionately benefit Franchisee or any specific geographic market.

6.3 In addition to Franchisee's Brand Fund contribution under Section 5.3. above, Franchisee shall spend each year during the Term, in the manner Franchisor approves, at least two percent (2%) of the Store's Gross Receipts for the previous calendar year to market and promote the Store locally (the "Local Marketing Spend"). Franchisee agrees to consult with Franchisor each year, as often as Franchisor deems reasonably necessary, to develop and implement a local Marketing plan for the Store for that year and subsequent years of the Term. With respect to Franchisee's initial twelve (12) months after the opening of the Store, Franchisee will spend each month at least two percent (2%) of the Store's Gross Receipts to market and promote the Store locally. Franchisee may engage only in the Store-level advertising, marketing, and promotion activities, and use only the materials and media channels, Franchisor pre-approves. To the extent Marketing materials are designed by Franchisor and used by Franchisee without any modification, such materials are deemed pre-approved; provided, however, that the channels through which suchmaterials are disseminated will require the prior written approval of Franchisor. Franchisee shall furnishto Franchisor, at the time and in the manner Franchisor prescribes (including receipts and other supporting documentation) in the Manual, an accounting of Franchisee's actual expenses for local Marketing and promotion.

Franchisee's local marketing shall comply with the Manual, follow the pre-approved plan and Franchisor's then-current guidelines for Marketing activities. All Marketing materials Franchisee develops for the Store must contain notices of the MONKEE'S consumer-targeted website address inthe manner Franchisor designates. Except as expressly permitted by Franchisor, Franchisee may not develop, maintain, provide mutual links to, or authorize any websites, smart phone applications, etc. mentioning or describing Franchisee or the Store or displaying any of the Marks. Franchisee's Marketing shall be clear, factual, not misleading and conform to the highest standards of ethical marketing.

6.4 Franchisee may not use any Marketing materials or distributed Marketing materialsthrough media channels, unless Franchisor has approved such materials and channels in writing prior to dissemination. Franchisee shall submit samples of all advertising and promotional plans and materials to Franchisor, for its prior approval (except with respect to prices to be charged), if such plans, channels and materials have not been prepared or previously approved by Franchisor. Advertising and promotional materials requiring Franchisor approval shall include, but not be limited to, advertising placed in any media, including but not limited to the Internet, and advertising displays or other printed or electronic materials used by Franchisee or its employees which contain any of the Marks, including but not limitedto business forms, stationery, cards, and Internet websites. If written notice of disapproval is not received by Franchisee from Franchisor within 10 business days of the date of receipt by Franchisor of such samples or materials, Franchisor will be deemed to have approved such samples, channels or materials. Franchisee shall cease to use any advertising subsequently disapproved by Franchisor immediately upon notice from Franchisor.

6.5 From time to time during the Term of this Agreement, in order to compete fully with

other sellers of like goods or services and to maximize revenues for all MONKEE'S Stores, Franchisor may develop, establish or institute one or more new Marketing programs, including without limitation, an updated and robust loyalty program, frequent purchaser or gift card program, etc., which programs may require substantial start-up or ongoing administrative fees and expenses. To the extent that Franchisor determines that such programs will benefit the System along with individual MONKEE'S store owners, Franchisor, Franchisee and the other franchisees then in the System will reasonably cooperate to allocate fairly and efficiently the funding for such programs. Franchise acknowledges that the commencement of a new revenue-driving Marketing program may result in the commencement, with reasonable advance written notice, of an obligation to pay an additional monthly or quarterly fee for the purposes of funding such program.

ARTICLE 7 ACCOUNTING AND RECORDS

7.1 Franchisee shall prepare, and shall preserve for at least 4 years from the dates of their preparation, complete and accurate books, records, and accounts in accordance with United States generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing. Such records will be subject to review at any time, without notice, by Franchisor or its accountant or designee.

7.2 During the Term, Franchisee shall:

(a) Perform a monthly close of its books for the preceding month no later than the 15th calendar day of each month. If the 15th day falls on a Saturday, Sunday or bank holiday, Franchisee shall perform the monthly close of its books on the next business day. A "monthly close" shall mean that all adjusting journal entries to the Franchisee's books for the immediately preceding month have been completed as specified in the Manual;

(b) On or before the 5th calendar day of each month, deliver to Franchisor a copy of the balance sheet and operating statement, including accounts payable and accounts receivable information, for the Store;

(c) On or before the 15th calendar day of every month on prescribed forms provided by Franchisor, deliver to Franchisor detailed reports regarding the Store's operations, including Gross Receipts and sales tax reports, for the preceding calendar month;

(d) Within 10 calendar days after filing Franchisee's state sales tax returns, if applicable, deliver to Franchisor a signed copy of same, along with the portions of Franchisees federal and state income tax returns that reflect the operations of the Store;

(e) Within three (3) calendar months after the end of Franchisee's fiscal year, deliver to Franchisor a complete annual financial statement, including balance sheets and operating statement, reviewed by Franchisee's accountant, and certified by Franchisee as correct and accurately reflecting the Store's true financial condition according to generally accepted accounting principles. Franchisor agrees that such information shall be held in confidence except as necessary to enforce the terms of this Agreement; and

(f) Deliver such other forms, reports, records, financial and business information and data as Franchisor may reasonably designate and request.

7.3 At all times, Franchisee shall maintain its financial affairs so as to meet all credit obligations, including those to Franchisor, as and when due. For avoidance of doubt, and notwithstanding the obligations set forth in Section 7.2 above, on a monthly basis, or otherwise upon Franchisor's reasonable request, Franchisee shall furnish Franchisor with a completed certification of business practices in accordance with the Manual, and any and all financial information as required by Franchisor including operating statements, balance sheets, inventory aging, accounts receivable aging as well as salesdata for Products, and with cost of sales detail.

7.4 Except as otherwise expressly permitted hereunder, Franchisor shall not communicate to, or divulge or use for the benefit of, any other person, partnership, association, or corporation, any report, financial statement, or other data required to be submitted to Franchisor pursuant to this Article 7 unless Franchisor does so: (a) without identifying that such report, financial statement, or other data relates to Franchisee or the Store, (b) to the extent required by law, or (c) otherwise with Franchisee's written permission.

ARTICLE 8 CONFIDENTIAL INFORMATION

8.1 Franchisor possesses (and will continue to develop and acquire) certain confidential and proprietary information relating to developing and operating MONKEE'S Stores, including (without limitation): site selection criteria, the Manual, methods, formats, standards, sales and marketing techniques, know-how, vendor distribution agreements, methods for maximizing inventory mix and optimizing buying decisions at market, expertise in negotiating vendor agreements, and experience used in developing and operating MONKEE'S Stores; digital passwords and identifications; revenues, operating results and financial performance of MONKEE'S stores other than the Store; customer communication and retention programs and data used or generated in connection with those programs; customer lists, know-how and other information about the System designated by Franchisor as confidential (collectively, the "Confidential Information"). Franchisee shall not, during the Term or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any Confidential Information which may be communicated to the Franchisee or of which Franchisee may be apprised of by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such Confidential Information only to those of its employees, shareholders, financial and legal advisers, as must have access to it in order to operate the Franchised Business.

8.2 Franchisee acknowledges that Franchisor has developed the Confidential Information over an extended period of time and at a substantial cost to Franchisor and, if used by other persons, firmsor entities, would give those other persons, firms or entities an unfair competitive advantage.

8.3 Franchisee acknowledges and agrees that it will not acquire any interest in Confidential Information, other than the right to use it as Franchisor specifies during the Term while operating the Store, and that Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Franchisee only on the condition that Franchisee agrees, and Franchisee hereby does agree, that it:

(a) will not use Confidential Information in any other business or capacity;

(b) will keep confidential each item deemed to be a part of Confidential Information, both during and after the Term;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic media or in written or other tangible form;

(d) will adopt and implement reasonable procedures to prevent unauthorized use and

disclosure of Confidential Information, including, without limitation, restricting its disclosure to Store personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. Franchisor has the right to regulate the forms of agreements Franchisee uses and to be a third-party beneficiary of those agreements with independent enforcement rights. Franchisee must keep copies of those agreements and send them to Franchisor upon request; and

(e) will not sell, trade, or otherwise profit in any way from Confidential Information except as authorized by this Agreement.

8.4 Franchisee represents and warrants that Franchisee and its officers, directors, partners, shareholders, members, managers, employees, agents, contractors and any other personnel having access to any Confidential Information of Franchisor, including but not limited to the Manual, each shall execute a Confidentiality Agreement in the form attached hereto as Exhibit C to this Agreement. Franchisee shall promptly submit each fully executed Confidentiality Agreement to Franchisor upon execution.

8.5 All ideas, concepts, techniques, and materials relating to the System, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the System, and works made-for-hire for Franchisor. To the extent necessary to reflect the foregoing allocation of rights, Franchisee hereby assigns ownership of and all related rights to any such items to Franchisor and agrees to take whatever action (including signing assignment or other documents) Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in the item.

ARTICLE 9 MONKEE'S SITES

9.1 In addition to its branded corporate website, Franchisor may establish one or morewebsites or branded pages on one or more social media websites, including Facebook or similar platforms, mobile platforms or smart phone applications (each a "MONKEE'S Site," and collectively, the"MONKEE'S Sites"): (a) to advertise, market, and promote MONKEE'S Stores, their Products and/or ancillary goods and services, (b) through which to operate on-line product purchasing and other fulfillment systems, and (c) for any other purposes Franchisor considers appropriate or necessary for the MONKEE'S System. Franchisee shall maintain and update the MONKEE'S Site established by Franchisor for the promotion of the Store with photos owned or licensed by Franchisee and then-current inventory descriptions, as applicable. Franchisor has the right, but not the obligation, to monitor and pre- approve, any content uploaded, or requested by Franchisee to be uploaded to, such MONKEE'S Site, and may take down or decline to approve the uploading of any content to any MONKEE'S Site which contentFranchisor deems inconsistent with the quality of the MONKEE'S brand, any applicable brand guidelines then-in-effect, with System standards, or with applicable community standards. Franchisee representsand warrants that any content, information, or materials Franchisee uploads, or submits to Franchisor for uploading to a MONKEE'S Site, is accurate and not misleading and does not infringe any individual's intellectual property or privacy rights, and that Franchisee owns or has the right to grant a perpetual, irrevocable sublicense to Franchisor to copy and publish such content on any MONKEE'S Site. Franchisor owns all text, content, concepts, the look and feel, selection and arrangement, design and organization of the MONKEE'S Sites, and the data and material on the MONKEE'S Sites, and all intellectual property rights therein and other rights in and to the MONKEE'S Sites, including, without limitation, traffic within, to and from each MONKEE'S Site, data patterns, the log of "hits" by visitors and any personal, sensitive or business information that visitors to any MONKEE'S Site submit.

9.2 Franchisor will control, and may use Brand Fund contributions to develop, maintain,

operate, update, and market, the MONKEE'S Sites. Franchisor will make updates to Franchisee's pages, if any, or add content Franchisor approves as frequently as Franchisor deems appropriate. To the extent updates to Franchisee's pages are required in order to correct any inaccuracy and to the extent such updates are not within the scope of the rights Franchisee has to modify content on the applicable MONKEE'S Site, Franchisee shall promptly notify Franchisor in writing, including by email, of the scope and nature of the inaccuracies. If during the term of this Agreement, a fee is established for the purpose of augmenting the functionality of the MONKEE'S Sites or otherwise maintaining, improving, or enhancing the MONKEE'S Sites for the benefit of the System and its participant Stores, and notified generally to all then-current franchise owners, Franchisee shall pay such fee.

9.3 If Franchisee is in material default of any obligation under this Agreement or the Manual, Franchisor may, in addition to Franchisor's other remedies, suspend or render inaccessible to the general public the MONKEE'S Site promoting the Store until Franchisee fully cures the default. Upon expiration or termination of this Agreement for any reason, Franchisee's access to and participation in the MONKEE'S Sites shall immediately end.

9.4 Franchisee may not, without obtaining Franchisor's prior written approval in accordance with the process set forth in the Manual, develop, maintain, link to, frame, or authorize any other sites or smart phone applications mentioning or describing Franchisee or the Store or displaying any of the Marks.

ARTICLE 10 INSPECTIONS AND AUDITS

10.1 During the Term and for 2 years thereafter, Franchisor and its designated agents and representatives (including "mystery" or "secret" shoppers) may at all reasonable times and with orwithout prior notice to Franchisee:

(a) inspect the Store;

(b) photograph the Store and observe and video its operation for consecutive or intermittent periods Franchisor deems necessary;

(c) remove samples of any products and supplies;

(d) interview the Store's personnel and customers; and

(e) examine and copy, at Franchisor's expense, any books, records, accounts, tax returns and other documents regarding the Store's operation.

Franchisee shall cooperate fully with Franchisor and its agents and representatives in these activities. Franchisor shall also have the right, at any time, to have outside consultants and vendors to perform an independent audit of the books of Franchisee. If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the Store's operation. Franchisee shall present to its customers the blank evaluation forms Franchisor periodically prescribes and to participate and/or request Franchisee's customers to participate in any surveys performed by or for Franchisor. Franchisor agrees to share the survey results with Franchisee.

10.2 If an examination discloses any underpayments have been made to Franchisor, Franchisee shall immediately pay Franchisor the amount underpaid upon demand, in addition to interest from the date such amount was due until paid, at the rate of 1.5 percent (1.5%) per month or, if less, the maximum rate permitted by law. Furthermore, if an examination is necessary due to Franchisee's failure to furnish reports, supporting records, or other information as required, or if Franchisor's examination reveals a Royalty or other underpayment exceeding three percent (3%) or more in any given month, Franchisee shall, in addition to repayment of monies owed plus applicable interest, reimburse Franchisor,within 30 days after billing,

for any and all costs and expenses connected with the inspection, including, without limitation, the reasonable legal and accounting costs, travel expenses, room and board, and wage expenses. The foregoing remedies are in addition to Franchisor's other remedies and rights under this Agreement and applicable law.

ARTICLE 11 INSURANCE

11.1 Franchisee shall obtain before opening the Store, and maintain in full force and effect during the Term and for 3 years thereafter, at its own expense, an insurance policy or policies insuring Franchisee, Franchisor, its owners, officers, directors, partners and employees against any loss or claims whatsoever arising or occurring upon or in connection with Franchisee's operation or ownership of the Store. All policies shall name Franchisor, its owners, agents and employees as additional insureds and shall expressly provide that these persons may recover under such policies on any loss occasioned to themby Franchisee, its owners, agents, or employees by reason of the negligence of Franchisee or its owners, agents, or employees. All insurance policies required under this Agreement shall be written by an insurance company with an A.M. Best rating of not less than A-VII and in accordance with standards and specifications set forth in the Operations Manual or otherwise specified in writing by Franchisor. The coverage shall include limits at least equal to those shown for the categories of required insurance:

(a) Commercial general liability for business premises and operations and product liability coverage for not less than

(b) Bodily Injury: $1,000,000 per occurrence and $2,000,000 in theaggregate, per policy year;

(c) Business Automobile Liability Insurance covering all owned, non-owned, and hired automobiles (not less than $1 million per accident);

(d) Property and Crime Insurance (not less than 100% of the full replacement cost of the insured property, including furniture, fixtures, and inventory); and

(e) Workers Compensation to meet applicable statutory requirements.

11.2 Franchisor may at any time, with reasonable prior notice to Franchisee, increase the required amounts of insurance coverage and require Franchisee to obtain different or additional kinds of insurance to reflect inflation, the identification of special risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

11.3 Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, Franchisee shall promptly submit evidence of satisfactory insurance and proof of paymentto Franchisor, together with, upon request, copies of all policies, policy amendments, and endorsements. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without giving at least 30 days' prior written notice to Franchisor.

11.4 Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as described from time to time by the Operations Manual or otherwise in writing, Franchisor has the right and authority (but no obligation) to procure such insurance and to be reimbursed by Franchisee for such costs in connection with such procurement. Such charges shall be payable by Franchisee immediately upon notice from Franchisor.

11.5 Franchisee's obligation to obtain and maintain the policy or policies in the amounts specified above and in the Manual shall not be limited in any way by reason of any insurance which may

be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 19.5 of this Agreement. The Commercial General Liability and Business Automobile policies will contain a contractual coverage endorsement insuring Franchisee's performance under such indemnity. All policies except Workers Compensation shall contain a provision that Franchisee's insurance coverage is primary to any coverage maintained by Franchisor. Franchisee's Commercial General Liability and Business Automobile policies shall include a separation of insured's clause or endorsement, in a form acceptable to Franchisor. Such policies shall also expressly provide that any interest of Franchisor, its servants, agents, and employees will not be affected by Franchisee's breach of any policy provisions.

ARTICLE 12 RENEWAL

12.1 Franchisee may, provided that the following conditions are met, renew this Agreement for one (1) additional consecutive term of 10 years (a "Renewal Term");

(a) Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than six (6) months nor more than nine (9) months prior to the end of the Initial Term or the then current Renewal Term, as the case may be;

(b) Franchisee, at Franchisee's expense, shall make or provide for, in a manner satisfactory to Franchisor, renovation and modernization of the premises of the Store, if any, as Franchisor may reasonably require, which may include installation of new equipment and renovation of signs, furnishings, fixtures, and decor to reflect the then-current standards and image of the System;

(c) Franchisee shall not be in default of any provision of this Agreement, any amendment of or successor to this Agreement, or any other agreement between Franchisee and Franchisor; and Franchisee shall have substantially and consistently complied with all the terms and conditions of this Agreement and such agreements during their terms;

(d) Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and Franchisee's suppliers, and shall have timely met those obligations throughout the Term;

(e) Franchisee shall execute Franchisor's then-current form of franchise agreement which will supersede this Agreement in all respects. The terms of the then- current form of franchise agreement may differ in many or all material respects from the terms of this Agreement, including but not limited to differences in the provisions regarding Royalties, Brand Fund fees, the length of the term, the scope of the Protected Area, and advertising obligations; however, Franchisee shall not be required to pay another Initial Fee;

(f) Franchisee shall execute a general release (or mutual general release), in a form prescribed by Franchisor, of any and all claims against Franchisor, its officers, directors, securities holders, agents, and employees, relating to or in connection with this Agreement or the franchise relationship, generally;

(g) At the time Franchisee executes the then-current franchise agreement, Franchisee shall pay to Franchisor a nonrefundable lump-sum renewal fee in the amount of $500; and

(h) Franchisee shall comply with Franchisor's then-current qualification and training

requirements, at Franchisee's expense.

12.2 If Franchisor, in its sole discretion, determines that all of the conditions specified above have been satisfied, the Term shall be renewed commencing on the date following the expiration of the old Term. If Franchisor determines that all of the conditions specified above have not been satisfied, it shall notify Franchisee in writing that the new Franchise Agreement has not been accepted and that the renewal is not effective and shall specify the reasons therefor.

12.3 In the event that Franchisee fails to give notice of renewal in the manner described in Section 12.1, this Agreement will automatically expire without further notice at the end of the then- current Term.

12.4 In the event any termination or expiration of the Term would violate any applicable laws, Franchisor may reinstate or extend the Term for the purpose of complying with such laws, for the duration provided by Franchisor in written notice to Franchisee, without waiving any of Franchisor's rights under this Agreement or otherwise modifying this Agreement.

ARTICLE 13 TERM

13.1 This Agreement shall commence on the Effective Date and continue in effect for 10 yearsafter the date on which the Store first opens to the general public for business (together with the renewal term, to the extent applicable, the "Term"), unless earlier terminated as set forth herein. Upon termination or expiration (without a successor franchise) of this Agreement, Franchisee's right to operate the Store and to use the Marks shall cease.

ARTICLE 14 TRANSFER OF INTEREST

14.1 Franchisor shall have the absolute right, without limitation, to sell, transfer, or assign its business, in whole or in part, and whether by sale of assets or securities, or otherwise, this Agreement, the System or the Marks to any person or legal entity, and such sale, transfer or assignment shall constitute a novation of this Agreement whereby any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

14.2 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has entered into this Agreement in reliance on Franchisee's (or, if Franchisee is a corporation, partnership, or other legal entity, its principals') business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in Franchisee shall sell, assign, transfer, convey, pledge, encumber, merge, or give away (collectively, "transfer"), directly, through any judicially mandated division or distribution of assets or otherwise, any direct or indirect interest in the outstanding interest in this Agreement, in Franchisee, in the Franchised Business, or in allor substantially all of the assets of the Franchised Business or Franchisee without the prior writtenconsent of Franchisor. Any such proposed transfer shall be subject, *inter alia*, to the provisions of Section 14.4 hereof. In the event that Franchisor elects not to exercise its rights under Section 14.4, Franchisor's prior written consent to a proposed transfer shall not be unreasonably withheld or delayed for any transfer, nor shall it be required for a transfer of less than a five percent (5%) interest in a corporation which has securities registered under the Securities Exchange Act of 1934 ("publicly-held corporation"). Any purported transfer not having the written consent of Franchisor required by this Section 14.2 shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant to Section 17.2 of this Agreement.

14.3 Franchisee shall notify Franchisor in writing of any proposed transfer of any direct or indirect interest in this Agreement, in Franchisee, in the Store, or in all or substantially all of the assets of the Store at least 30 days before such transfer is proposed to take place; provided, however, that notice shall not be required for a transfer of less than a five percent (5%) interest in a publicly-held corporation. If any transfer which requires Franchisor's consent, alone or together with other previous, simultaneous, or proposed transfers, would trigger a change of control (as defined below) with respect to Franchisee orthe assets of Franchisee, Franchisor may, in its sole discretion, require any or all ofthe conditions set forth in subsections 14.3(a) – (i) as conditions of its approval. For purposes of this Section 14.3, a change of control shall mean (i) the acquisition by one person or more than one person acting as a group of ownership of equity interests of the Franchisee that, together with equity held by such person or group, constitutes 50% or more of the total fair market value or total voting power of the equity interests of the Franchisee, and (ii) the acquisition by one person, or more than one person acting as a group, during any 12 month period, of assets from the Franchisee that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Franchisee immediately before such acquisition or acquisitions. For this purpose, "gross fair market value" means the value of the assets of the Franchisee, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(a) That all of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor have been satisfied;

(b) That Franchisee is not in default of any provision of this Agreement, any amendment of or successor to this Agreement, or any other material agreement between Franchisee and Franchisor or its affiliates or between Franchisee and its landlord, mortgagee, bank or other lenders, suppliers, or any other third party;

(c) That the transferor shall execute a general release (or mutual general release), in a form satisfactory to Franchisor, of any and all claims against Franchisor, its officers, directors, shareholders, member, agents, and employees;

(d) That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and, if the obligations of Franchisee were guaranteed by the transferor, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor; or Franchisor will require transferee to execute the then-current form of franchise agreement; and that the transferee enter into a covenant not to compete with Franchisor, in a form satisfactory to Franchisor;

(e) That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial, and business standards; possesses good moral character, business reputation, and credit rating; has the aptitude and ability to operate the Store (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital inclusive of its obligations to Franchisee to operate the Store in a fiscally responsible manner;

(f) That the transferee, at its expense, refurbish the premises of the Location to conform to Franchisor's then-current standards and specifications, and complete the refurbishing and other requirements within the time specified by Franchisor;

(g) That Franchisee remain liable for all of the obligations to Franchisor in connection with the Store which arose prior to the effective date of the transfer and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(h) That the transferee's Manager, at the transferee's expense, successfully complete any training programs then in effect for Managers upon such terms and conditions as Franchisor may reasonably require at transferee's expense; and

(i) That Franchisee will pay to Franchisor a transfer fee of $7,500. However, such transfer fee shall only be $500 in the case of a transfer (1) to an entity formed by Franchisee for the convenience of existing ownership, and which maintains all current ownership percentages, or (2) if applicable, to Franchisee's spouse, child (whether natural or adopted), or other direct lineal descendant.

14.4 If Franchisee or any person or entity holding any direct or indirect interest in Franchisee, this Agreement or the Store desires to make a transfer of such interest for value, Franchisee shall first notify Franchisor inwriting of such intention and offer to sell or transfer such interest to Franchisor upon the terms and conditions set forth in the notice, which shall be at least as favorable to Franchisor as those offered by a bona fide third party (and such notice shall include a copy of the third party offer), net of any applicable real estate and/or business brokerage commissions. If Franchisor and Franchisee cannot agree within 30 days of the notice on the terms and conditions of such transfer or if Franchisor notifies Franchisee that it does not wish to acquire such interest, Franchisee may sell or transfer such interest to the *bona fide* third party; provided that such transfer is made within 120 days after the expiration of any offer to Franchisor, that such transfer is made on precisely the same terms and conditions as those offered in writing by such third party and provided in the notice to Franchisor, and that all applicable requirements of Section 14 hereof (including in particular the consent requirements of Section 14.3, if applicable) are met. Failure of Franchisor to exercise the option afforded by this Section 14.4 shall not constitute a waiver of any other provision of this Agreement, including all requirements of this Article 14, with respect to a proposed transfer.

14.5 Franchisee shall not grant a security interest in the Store or in any of the assets of the Store unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, in the event Franchisor exercises such option, any acceleration of indebtedness due to Franchisee's default shall be void. Franchisee agrees to fully indemnify Franchisor from any and all costs or damages including, but not limited to attorneys' fees and costs, incurred by Franchisor in curing any default of Franchisee. The Franchisee and any such secured party must comply with applicable terms of this Section 14.

14.6 In no event shall Franchisee agree to grant any security interest or other lien or encumbrance in the System, the Marks or any other confidential or proprietary property or information of Franchisor and any attempt to grant such an interest shall constitute a breach of this Agreement and shall be deemed to be void and of no force and effect. Franchisee shall fully indemnify Franchisor for any costs or damages including, but not limited to, attorneys' fees, other professional or expert fees, and costs, incurred by Franchisor in bringing any action to invalidate or attempt to invalidate any security interest or other lien or encumbrance purported to have been granted by Franchisee relating to any confidential or proprietary information or property of Franchisor.

14.7 Upon the death or mental incapacity of any person with an interest in this Agreement, in Franchisee, in the Store, or in all or substantially all of the assets of the Store:

(a) The executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet theconditions in this Section 14, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisormay terminate this Agreement, pursuant to Section 17.2 hereof. Any transfer subject to this section which is made in accordance with a succession planapproved in advance by Franchisor shall be deemed approved for the purposes of this Section 14.7.

(b) Franchisor shall have the right to take such steps as are necessary to manage the Store for the account of Franchisee until such time as a transfer can be completed pursuant to Section 14.7. Franchisee further grants to Franchisor the right to receive a reasonable fee for such services and reimbursement for its expenses in connection with such services.

14.8 Franchisor's consent to a transfer of any interest in this Agreement, in Franchisee, in the Store, or in all or substantially all of the assets of the Store or Franchisee shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand full compliance with any of the terms of this Agreement by the transferor or transferee.

ARTICLE 15 CORPORATE MATTERS

15.1 If Franchisee is a corporation, partnership, or other legal entity, Franchisee's articles of incorporation, bylaws, operating or partnership agreement and other governing documents, including without limitation, all amendments thereto, any voting or shareholders' agreements between the owners of Franchisee, and any resolutions of the board of directors, shareholders, members, managers, partners bearing on Franchisee's operation of the Store under this Agreement (including without limitation, any resolutions authorizing entry into this Agreement), shall be promptly furnished to Franchisor uponrequest. Franchisee shall also give Franchisor reasonable prior notice of any corporate name change, assumed name under which Franchisee conducts business, conversion from one form of business entity toanother, or reincorporation or domestication under another state's corporate laws.

ARTICLE 16 MARKS

16.1 Franchisee's right to use the Marks is derived only from this Agreement and is limited to Franchisee's operating the Store during the Term in compliance with this Agreement and all System Standards. Franchisee's unauthorized use of the Marks or any marks confusingly similar to the Marks isa breach of this Agreement and infringes Franchisor's rights in the Marks. Franchisee's use of the Marks and any goodwill established by that use are exclusively for Franchisor's benefit. This Agreement does not confer any goodwill or other interests in the Marks upon Franchisee (other than Franchisee's right to operate the Store in compliance with this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks Franchisor authorizes Franchisee to usefrom time to time during the Term. Franchisee may not at any time during or after the Term contest or assist any other person in contesting the validity, or Franchisor's ownership, of the Marks.

16.2 Franchisee shall use only the Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor. Franchisor shall use the Marks as the Store's sole identification, without prefix or suffix, other than to identify the Store's location, and except that Franchisee must identify itself as the Store's independent owner and operator in the manner Franchisor prescribes. Franchisee may not use any Mark (s) as part of any corporate or legal business name, (b) withany prefix, suffix, or other modifying words, terms, designs, or symbols except as provided above (other than logos Franchisor licenses to Franchisee), (c) in offering or selling any unauthorized services or products, (d) as part of any domain name, homepage, electronic address, smart phone application, or otherwise in connection with electronic media, except as expressly allowed by Franchisor, or (e) in any other manner Franchisor has not expressly authorized in writing. If Franchisor discovers Franchisee's unauthorized use of the Marks, Franchisor may require Franchisee to destroy and delete all copies of all offending items (with no reimbursement from Franchisor). In the event that Franchisee registers, attempts to register, obtains any ownership in, or otherwise utilizes any website, domain name, URL, Internet presence or other electronic communications portal (each, a "Website") in violation of this Section 16.2,in addition to any rights Franchisor may otherwise have, Franchisee agrees that any such Website shall bedeemed the property of Franchisor and Franchisee shall execute any documents deemed necessary by Franchisor in order to give effect to this Section 16.2.

16.3 Franchisee shall maintain a suitable sign at, or near, the front of the Store, on any pylon sign, building director or other area identifying the Store only using such Marks as Franchisor may designate. It is Franchisee's responsibility to, at its expense, ensure that such signage shall conform in all respect to Franchisor's requirements set forth in the Manual or otherwise communicated to Franchisee except to the extent prohibited by local laws and regulations. Franchisee shall display the Marks prominently as Franchisor prescribes at the Store and on apparel, forms, advertising and marketing, supplies, and other materials Franchisor designates.

16.4 Franchisee's right to use the Marks is limited to the uses authorized under this Agreement, including the Manual, and any unauthorized use thereof shall constitute an infringement of rights of Franchisor. Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.

16.5 Franchisee agrees to notify Franchisor immediately of any apparent infringement or challenge to Franchisee's use of any Mark, or of any person's claim of any rights in any Mark or any confusingly similar trademark, and not to communicate with any person other than Franchisor and its attorneys, and Franchisee's attorneys, regarding any infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. Franchisee shall sign any documents and take any other reasonable action, including becoming a nominal party to any legal action, that, in the opinion of Franchisor, is necessary or advisable to protect and maintain Franchisor's interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain Franchisor's interests in the Marks. For purposes of this Section 16.5, the term "Marks" also shall include any materials in which Franchisor claims or may claim copyrights, including without limitation, items such as the Manual, advertisements, websites, slogans, manuals, system standards, signs, and other information in existence or to be created which are capable of being rendered to tangible form and in which Franchisor claims or may claim copyrights.

16.6 If it becomes advisable at any time in Franchisor's opinion for Franchisor and/or Franchisee to modify, discontinue using and/or replace any Mark and/or to use one or more additional, substitute, or replacement trade or service marks together with or instead of any previously designated Mark, Franchisee shall comply with Franchisor's directions within a reasonable time after Franchisor delivers notice to Franchisee. Franchisee, at its sole expense, shall adopt, use and display such Marks as are

then approved by Franchisor and shall promptly discontinue the use and display of the outmoded or superseded marks.

ARTICLE 17 TERMINATION

17.1 Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee shallbecome insolvent (either by virtue of its having an excess of liabilities over assets or its inability to meet its obligations as they become due as determined by Franchisor), or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's 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 Franchisee; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a superseded bond is filed); if Franchisee is dissolved; if execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage against the Store or equipment is instituted against Franchisee and not dismissed within 30 days; or if the real or personal property of the Store shall be sold after levy thereupon by any sheriff, marshal, or constable.

17.2 Franchisor may terminate this Agreement, effective upon delivery of written notice of termination to Franchisee, if:

(a) Franchisee (or any of its owners) has made or makes any material misrepresentation or omission in acquiring the Franchise or operating the Store;

(b) Franchisee fails to execute a lease for the Store location within six (6) calendar months of signing the Franchise Agreement and/or does not open the Store for business within twelve (12) calendar months after the Effective Date;

(c) Franchisee (i) abandons the Store, meaning that Franchisee has deserted, walked away from, or closed the Store under circumstances leading Franchisor to conclude that Franchisee has no intent to return to the Store, regardless of the number of days passing since the apparent abandonment, or (ii) fails actively and continuously to operate the Store (a failure to operate the Store for over 5 consecutive days will be deemed a default under this clause (ii), except where closure is due to fire, riot, flood, acts of terrorism, or natural disaster and Franchisee notifies Franchisor within 5 days after the particular occurrence to obtain Franchisor's written approval to remain closed for an agreed upon amount of time as is necessary under the circumstances before Franchisee will be required to re-open);

(d) Franchisee surrenders or transfers control of the Store's operations without Franchisor's prior written consent;

(e) Franchisee (or any of its owners) is or has been convicted by a trial court of, or pleads or has pleaded no contest to, a felony;

(f) Franchisee fails to maintain required insurance coverage and does not correct the failure within 10 days after Franchisor delivers to Franchisee written notice of that failure;

(g) Franchisee fails to maintain any licenses or permits required to operate the Store, as a result of which Franchisee is legally obligated to cease operations, and Franchisee fails to secure those licenses and permits within the timeframe mandated by law;

(h) Franchisee (or any of its owners) makes or attempts to make an unauthorized assignment of this Agreement, the Store, or an ownership interest in Franchisee;

(i) Franchisee loses the right to occupy the Location due to Franchisee's Lease default;

(j) Franchisee loses the right to occupy the Location (but not because of Franchisee's Lease default), or the Store is damaged to such an extent thatFranchisee cannot operate the Store at the Location over a 30 day period, and Franchisee fails both to relocate the Store to a substitute site Franchisor accepts and to begin operating the Store at that substitute site within 180 days from the first date on which Franchisee could not operate the Store at the Location;

(k) Franchisee (or any of its owners) makes any unauthorized use, or discloses or divulges the contents, of the Manual or any other Confidential Information;

(l) Franchisee violates any health, safety, or sanitation law, ordinance, or regulation, or operates the Store in an unsafe manner, and does not begin to cure theviolation immediately after delivery of notice (from Franchisor or anygovernment agency) and correct the violation within the timeframe mandated by Franchisor or, if applicable, the law or government agency;

(m) Franchisee fails to pay Franchisor (or its affiliates) any amounts due under this Agreement or otherwise and does not correct the failure within 30 days after Franchisor delivers to Franchisee written notice of that failure;

(n) Franchisee fails to pay any vendors to the MONKEE'S System (other than Franchisor) any amounts due for Franchisee's purchases from them and does not correct the failure within 30 days after the vendor delivers to Franchisee written notice of that failure, unless (i) Franchisee is in good faith contesting its liability for those amounts, (ii) Franchisee tells Franchisor in writing the reason for Franchisee's non-payment, and (iii) Franchisor agrees that Franchisee has a legitimate reason for the non-payment;

(o) Franchisee fails to pay when due any federal or state income, service, sales, or other taxes due on the Store's operation, unless Franchisee is in good faith contesting its liability for those taxes or Franchisee has received an extension from the applicable government agency of the time within which to make payment;

(p) Franchisee understates Gross Receipts by more than 10% during any 1-month period;

(q) Franchisee (or any of its owners) (i) fails on 3 or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee; or (ii) fails on 2 or more separate

occasions within any 6 consecutive month period to comply with the same obligation under this Agreement, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee;

(r) Franchisee's or any of its owners' assets, property, or interests are blocked under, or Franchisee or any of its owners otherwise violate, any law, ordinance, or regulation relating to terrorist activities;

(s) Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor or breaches a representation or warranty contained herein;

(t) Franchisee refuses to permit Franchisor to inspect the Store or the books, records or accounts of Franchisee upon demand; or

(u) Franchisee (or any of its owners) fails to comply with any other provision of this Agreement or the Manual and does not correct the failure within 30 days after Franchisor delivers to Franchisee written notice of the failure.

17.3 Franchisor has the right (but no obligation), under the circumstances described below, to assume the Store's management (or to appoint a third party to assume its management) for any time period Franchisor deems appropriate. If Franchisor (or a third party) assumes the Store's management under clause (b) below, Franchisee must pay Franchisor (in addition to the Royalty, Brand Fund fees and other amounts due under this Agreement) the manager's then-current daily salary plus Franchisor's direct expenses for up to 60 days after Franchisor assumes management. Franchisor (or the third party) will have a duty to use only reasonable efforts and, if Franchisor is not grossly negligent and does not commit an act of willful misconduct, will not be liable to Franchisee or its owners for any debts, losses, lost or reduced profits, or obligations the Store incurs, or to any of Franchisee's creditors for any supplies, products, or other assets or services the Store purchases, while Franchisor (or the third party) manages it. If Franchisor (or a third party) assumes the Store's management under clauses (a) or (c) below, Franchisor(or the third party) may retain all, and need not pay Franchisee or otherwise account to Franchisee forany, Gross Receipts generated while Franchisor (or the third party) manages the Store.

Franchisor (or a third party) may assume the Store's management under the following circumstances: (a) if Franchisee abandons or fails actively to operate the Store; (b) if Franchisee fails to comply with this Agreement, including any System Standard, and does not cure the failure within the time period Franchisor specifies in its notice to Franchisee, but only for as long as it takes Franchisor, using reasonable commercial efforts, to correct the failure that Franchisee failed to cure; or (c) if this Agreement expires or is terminated and Franchisor is deciding whether to exercise Franchisor's option to purchase the Store's assets under Section 17.8 below. Exercising Franchisor's management rights will not affect Franchisor's right to terminate this Agreement under Section 17.2 above. If Franchisor assumes the Store's management (or appoints a third party to assume its management), Franchisor will operate the Store for intervals lasting up to 90 days each. In case of assumption under clause (b) above, Franchisor will, during each interval, periodically evaluate whether Franchisee is capable of resuming the Store's operation and periodically discuss the Store's status with Franchisee.

17.4 Franchisee agrees to pay Franchisor within 15 days after this Agreement expires or is terminated, or on any later date Franchisor determines the amounts due from Franchisee, the Royalties, Brand Fund contributions, administration fees, and other amounts owed to Franchisor that remain unpaid.

17.5 When this Agreement expires or is terminated:

(a) Franchisee shall not directly or indirectly at any time or in any manner identify itself in any business as a current or former MONKEE'S Store or as one of Franchisor's current or former licensees; use any Mark, any mark confusingly similar to a Mark, or other indicia, trade dress, or distinguishing features of a MONKEE'S Store for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol indicating or suggesting a connection or association with Franchisor;

(b) Franchisee shall immediately cancel all fictitious or assumed name or equivalent registrations covering its use of any Mark;

(c) Franchisee shall cease to use, without limitation, all telephone numbers, signs, advertising materials, websites or web pages, displays, stationery, forms, products, and any other articles which display the Marks, and shall take such action as may be necessary to cancel any assumed name registration or equivalent registration which contains the Marks;

(d) If Franchisor does not have or does not exercise an option to purchase the Store's assets under Section 17.8 below, Franchisee shall, at its own cost and without any payment from Franchisor for such items, deliver to Franchisor, or make available to Franchisor for pick-up, or to destroy (at Franchisor's option), in any case within 20 days, all signs, sign-faces, sign-cabinets, Marketing materials, forms, and other materials Franchisor requests containing any Mark or otherwise identifying or relating to a MONKEE'S Store. If Franchisee fails to do so voluntarily when Franchisor requires, Franchisor and its representatives mayenter the Store at Franchisor's convenience and remove these items without liability to Franchisee, the landlord, or any other third party for trespass or any other claim. Franchisee shall promptly reimburse Franchisor's costs of doing so;

(e) If Franchisor does not have or does not exercise an option to purchase the Store's assets under Section 17.8 below, Franchisee shall, within the timeframe Franchisor specifies and at Franchisee's own expense, make such modifications or alterations to the Store, if any (including, without limitation, the changing of, or assigning to Franchisor of, its telephone number) as Franchisor specifies in its Manual (or otherwise then communicates to Franchisee) to distinguish the appearance of the premises from other MONKEE'S Stores in order to prevent public confusion and protect the Marks and the System. If Franchisee fails to do so voluntarily when Franchisor requires, Franchisor and its representatives may enter the Store at Franchisor's convenience and take this action without liabilityto Franchisee, Franchisee's landlord, or any other third party for trespass or any other claim. Franchisor need not compensate Franchisee or the landlord for any alterations. Franchisee shall promptly reimburse Franchisor's costs of de- identifying the Store; and

(f) Franchisee shall immediately notify the telephone company and all directory publishers (both web-based and print) of the termination or expiration of Franchisee's right to use any telephone, facsimile, or other numbers and directory listings associated with any Mark; to authorize, and not to interfere with, the transfer of these numbers and directory listings to Franchisor or otherwise in accordance with its direction; and/or to instruct the telephone company to forward all calls made to Franchisee's numbers to numbers Franchisor specifies.

If Franchisee fails to do so, Franchisor may take whatever action and signwhatever documents it deems appropriate on Franchisee's behalf to effect these events.

17.6 When this Agreement expires or is terminated, Franchisee must immediately cease using any of the Confidential Information and return to Franchisor all copies of the Manual and any other confidential materials to which Franchisor gave Franchisee access. Franchisee may not sell, trade, or otherwise profit in any way from any Confidential Information after the expiration or termination of this Agreement.

17.7 Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee and its owners and shareholders will receive valuable, specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Except as otherwise approved in writing by Franchisor, Franchisee and its owners covenant that, during the Term and for a continuous, uninterrupted 2-year period following the expiration, cancellation, or termination of this Agreement for any reason (the "Restricted Period"), Franchisee and its owners shall not, either directly or indirectly, for itself orthemselves, or through, on behalf of, or in conjunction with any person or legal entity:

(a) Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in (as owner, officer, director, shareholder, or otherwise) any company or business which is engaged in the business of selling ladies' shoes, clothing or accessories and which is located within 20 miles of the Location or of any other MONKEE'S store location either then in operation or under construction, build-out or up-fitting, as applicable; provided, however, nothing in this Agreement shall be construed to prevent, or require the Franchisor's consent to, Franchisee's ownership of a less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation; or

(b) Induce, advise, request, solicit, divert, influence or attempt to influence any supplier, customer or prospective customer of Franchisor or any franchisee of Franchisor, with regard to the decision to supply or purchase ladies' shoes, clothing, accessories or ancillary products; or

(c) Employ or solicit for employment any person employed by Franchisor or other franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment with Franchisor or other franchisee of Franchisor; provided however, this restriction shall apply only to those persons who were employees of Franchisor or other franchisee of Franchisor during either the Restricted Period or the 2 year period immediately preceding the expiration, cancellation, or the termination of this Agreement for any reason; or

(d) Take any other action injurious or prejudicial to the goodwill associated with the Marks or the System.

Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 17.7, or any portion thereof, without Franchisee's consent, and Franchisee agrees that it shall comply immediately with any covenant as so modified, which shall be fully enforceable. Franchisee and its owners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Therefore, Franchisor's enforcing the covenants made in this Section will not deprive Franchisee or its

owners of their personal goodwill or ability to earn a living. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 17.7. Franchisee acknowledges that any failure to comply with the requirements of this Section 17.7 will cause Franchisor irreparable injury, for which no adequate remedy at law may be available. Franchisee also acknowledges that Franchisor's ability to obtain equitable relief on a System-wide basis for breaches by franchisees of non-disclosure and non-competition covenants benefits Franchisee by enabling Franchisor to defend and protect the distinctiveness of the System. Accordingly, Franchisee consents to the issuance of an order of specific performance, temporary restraining order, or preliminary or permanent injunction against violation by Franchisee of the covenants. Franchisee expressly agrees that it may be conclusively presumed that any violation of the terms of these covenants not to compete was accomplished by and through Franchisee's unlawful utilization of Franchisor's confidential information, knowledge, methods, and procedures. Franchisee agrees that in the event Franchisee breaches or is alleged to have breached any of the covenants in this Section 17.7, the Restricted Period shall not include any period(s) of violationor period(s) of time required for litigation to enforce the covenants set forth herein. Franchisee further agrees to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

17.8 Under the circumstances listed below, Franchisor has the right to acquire the Store's assets upon the termination or expiration of this Agreement. This Section 17.8 survives the terminationor expiration of this Agreement.

(a) Upon

(i) Franchisor's termination of this Agreement according to its terms and conditions,

(ii) Franchisee's termination of this Agreement without cause, or

(iii) expiration of this Agreement (if Franchisor offers, but Franchisee elects not to acquire, a successor franchise, or if Franchisor does not offer Franchisee a successor franchise because Franchisee failed to satisfy the conditions for a successor franchise set forth in Article 12),

Franchisor has the option, exercisable by giving Franchisee written notice (a "Purchase Notice") before or within 30 days after the date of termination or expiration, (i) to purchase the Store's assets and/or (ii) to exercise the rights under subparagraph (b) below. Franchisor has the unrestricted right to assign this purchase option to another party.

(b) If Franchisee leases the Location, Franchisee shall promptly (at Franchisor's option) after Franchisor delivers to Franchisee a Purchase Notice:

(i) assign the Lease for the Location to Franchisor; or

(ii) sublease the Location to Franchisor for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

(c) The purchase price for the Store's assets will be their fair market value, although fair market value will not include any value for:

(i) the Franchise or any rights granted by this Agreement;

(ii) goodwill attributable to the Marks, brand image, and other intellectual property; or

(iii) participation in the network of MONKEE'S Stores.

Franchisor may exclude from the assets purchased any furnishings or equipment or other items not reasonably necessary (in function or quality) to the Store's operation or that Franchisor has not approved as meeting System standards. Franchisor will identify the exclusions in the Purchase Notice. Franchisor and Franchisee must work together in good faith to agree upon the assets' fair market value within 15 days after Franchisor delivers a Purchase Notice. If Franchisor and Franchisee cannot agree on fair market value within this 15-day period, fair market value will be determined by the appraisal process described in subparagraph (d) below.

(d) If Franchisor and Franchisee cannot agree on the assets' fair market value, fair market value will be determined by one (1) independent accredited appraiser upon whom Franchisor and Franchisee agree, who, in conducting the appraisal, will be bound by the criteria specified in subparagraph (c). Franchisor and Franchisee agree to select the appraiser within 15 days after Franchisor delivers Franchisor's Purchase Notice (if Franchisor and Franchisee have not agreed on fair market value before then). Franchisor and Franchisee will share equally the appraiser's fees and expenses. The appraiser must complete his or her appraisal within 21 days after his or her appointment. The purchase price will be the appraised value. If Franchisor and Franchisee cannot agree on the appraiser, he or she will be chosen in accordance with the commercial rules of the American Arbitration Association.

(e) Franchisor (or its assignee) will pay the purchase price at the closing, which will take place not later than 45 days after the purchase price is determined, although Franchisor (or its assignee) may decide after the purchase price is determined not to purchase the Store's assets. Franchisor may set off against the purchase price, and reduce the purchase price by, any and all amounts Franchisee and its owners owe. At the closing, Franchisee must deliver instruments transferring to Franchisor (or Franchisor's assignee):

(i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and other transfer taxes paid by Franchisee;

(ii) all of the Store's licenses and permits that may be assigned or transferred; and

(iii) the Lease assignment or sublease, as applicable.

If Franchisee cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, Franchisor (or its assignee) and Franchisee will close the sale through an escrow. Franchisee and its owners agree to sign general

releases (or mutual general releases), in a form satisfactory to Franchisor, of any and all claims against Franchisor and its owners, affiliates, officers, directors, employees, agents, successors, and assigns. If Franchisor exercises its rights under this Section 17.8, Franchisee and its owners agree that, for 2 years beginning on the closing date, they will be bound by the non-competition covenant contained in Section 17.7 above.

17.9 All of Franchisor's and Franchisee's (and its owners') obligations expressly surviving this Agreement's expiration or termination will continue in full force and effect after and notwithstanding its expiration or termination and until they are satisfied in full.

ARTICLE 18 ARBITRATION

18.1 Except where Franchisor seeks injunctive relief or any other provisional remedy (e.g., replevin/repossession), every controversy, claim or dispute arising out of or in connection with the negotiation, performance or non-performance of this Agreement, including, without limitation, any alleged torts and/or claims regarding the validity, scope, and enforceability of this Section, shall be solely and finally settled by binding arbitration conducted in Winston-Salem, North Carolina and in accordance with the Arbitration Rules then in effect of the American Arbitration Association, or any successor organization, or as otherwise agreed by the parties.

In the event of any arbitrable controversy or claim, the parties shall first attempt to resolve the matter through good faith, informal negotiations, including, upon mutual agreement, non-binding mediation. In the event that the parties are unable to resolve the dispute, either party hereto may demand arbitration by written notice to the other party ("Demand for Arbitration") and to the American Arbitration Association. Any Demand for Arbitration pursuant to this Section shall be made within one (1) year from the date that the dispute arose or should have been known to have arisen.

The parties shall mutually agree on one (1) arbitrator. If the parties cannot so agree, any dispute shall be submitted to a single arbitrator selected by the American Arbitration Association. In the event that the American Arbitration Association must chose an arbitrator, each party is entitled to one (1) peremptory challenge of the arbitrator chosen, whether it be with or without cause. The costs of arbitration are to be shared equally by the parties. Each party shall be responsible for its own costs and attorneys' fees.

The arbitrator shall have full power to make such orders, rules and regulations as he or she shall deem just and expedient in respect to any procedure or matter involved in this arbitration, including, without limitation, discovery procedures, ex parte relief, interim awards, provisional remedies, temporary injunctive relief, injunctive relief, or orders for specific performance.

IT IS THE INTENT, AGREEMENT, AND UNDERSTANDING OF THE PARTIES THAT NEITHER PARTY SHALL RECEIVE, AND THE ARBITRATOR SHALL HAVE NO POWER TO AWARD, ANY SUMS BY WAY OF PUNITIVE OR EXEMPLARY DAMAGES, LOST WAGES AND/OR PROFITS, ATTORNEYS' FEES AND/OR COSTS, AND IN NO EVENT SHALL ANY MONETARY DAMAGES BE RECOVERED BY A FRANCHISEE IN EXCESS OF THE AMOUNT OF THE FRANCHISE FEE, MINUS THE FAIR MARKET VALUE OF FRANCHISEE'S STORE.

The arbitrator shall follow the rules of evidence of the state of North Carolina. The parties are free to mutually waive or modify any evidentiary rule or procedure with the consent of the arbitrator.

All parties shall mutually agree upon the scope and duration of discovery. Should the parties be unable to agree, they shall submit a proposed discovery plan or schedule to the arbitrator, who shall resolve such dispute in his/her sole discretion.

The arbitrator shall, within thirty (30) days after the matter has finally been submitted to him or her, render a written decision making specific findings of fact and setting forth the reasons for the decision which shall comply with the express terms of this Franchise Agreement.

Judgment on any award of the arbitrator shall be binding and may be entered in any court having jurisdiction thereof. The parties intend that this agreement to arbitrate be valid, binding, enforceable, and irrevocable. The terms of this Section 18.1 shall survive the termination or expiration of this Franchise Agreement. It is the intent of the parties that any arbitration between Franchisor and Franchisee shall be limited to the individual claims of either party and that no claim of any other party shall be subject to arbitration in such proceeding on any basis whatsoever, whether by consolidation, by class or representative principles, or otherwise.

The parties acknowledge that this provision fully expresses their agreement and is for the purpose of avoiding lengthy, protracted, and expensive litigation. If any provision of this Section is held to be unenforceable by a court of competent jurisdiction, it is the intent of the parties, consistent with the public policy of the laws of North Carolina, that those provisions be construed as written to the fullest extent possible.

ARTICLE 19 MISCELLANEOUS

19.1 No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with respect to any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms hereof. Waiver by Franchisor of any particular default of Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature, nor shall any delay, forbearance, or omission of Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due it under this Agreement shall not be deemed a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

19.2 This Agreement is accepted by the Franchisor in the State of North Carolina. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of North Carolina except to the extent governed by the United States Trademark Act of 1946 (Lanham Act) or other federal intellectual property statutes, and except that all issues relating to arbitrability, the enforcement of the agreement to arbitrate contained herein, and the conduct of any arbitration hereunder shall be governed by the United States Arbitration Act and the federal common law of arbitration. Nothing in this Section 19.2 is intended by the parties to subject this Agreement to any franchise, businessopportunity or similar statute, rule, or regulation of the State of North Carolina to which it would not otherwise be subject. Franchisee and Franchisor acknowledge and agree that each party's agreement regarding applicable state law set forth in this Section 19.2 provides 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. Franchisee and Franchisor further acknowledge that each Party's agreement regarding applicable state law has been negotiated in good faith and is part of thebenefit of the bargain reflected by this Agreement.

19.3 Franchisee and Franchisor agree that all arbitration or litigation, if any, shall be conducted on an individual, not a class-wide basis.

19.4 If any part or provision of this Agreement is determined to be invalid or unenforceable, the remaining parts and provisions of this Agreement which can be separated from the invalid, unenforceable provision shall continue in full force and effect.

19.5 Franchisee shall indemnify, defend, and hold harmless Franchisor, its owners, managers, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") from and against all Claims 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:

(a) Franchisee's (or its principals') violation, breach, liability or asserted violation of breach of or liability under any contract, federal, state or local law, regulation, rule, order, standard or directive, or of any industry standard;

(b) Libel, slander or any other form of defamation by Franchisee;

(c) Franchisee's violation or breach of any warranty, representation, or other term or provision of this Agreement; and

(d) Acts, errors or omissions of Franchisee or any of its agents, servants, employees, contractors, owners, affiliates or representatives.

For purposes of this indemnification, "Claims" include all judgments, obligations, damages(actual, consequential, or otherwise), and costs that any Indemnified Party incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, whether or not litigation, arbitration,or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at Franchisee's expense and agree to settlements or take any other reasonable remedial, corrective, or other actions.

This indemnity will continue in full force and effect after and notwithstanding this Agreement's expiration or termination. All losses and expenses incurred under this Section 19.5 shall be chargeable to and paid by Franchisee pursuant to its obligations of indemnity hereunder, regardless of any actions, activity or defense undertaken by Franchisor or the subsequent success or failure of such actions, activity or defense. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, to maintain and recover fully a claim against Franchisee under this Section. Franchisee agrees that failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts an Indemnified Party may recover from Franchisee under this Section.

19.6 Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement. The terms, conditions, and provisions of this Agreement shall inure to the benefit of, and be binding upon,the parties hereto and their respective heirs, successors, legal representatives and permitted assigns.

19.7 The preambles and exhibits are a part of this Agreement which, together with the Manual (which may be periodically modified, as provided in this Agreement) and the Franchise Disclosure Document (as defined below) constitutes Franchisor's and Franchisee's entire agreement, and there are

no other oral or written understandings or agreements between Franchisor and Franchisee. Franchisee acknowledges that Franchisor and its representatives have made no representations to Franchisee and, further, that Franchisee has not relied on any representations inconsistent with the provisions of this Agreement; provided, however, that nothing in this Section 19.7 shall be deemed to disclaim, or to waive Franchisee's reliance on, any statements made in the disclosure document required or authorized by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising" (the "Franchise Disclosure Document").

19.8 "Control" means the power to direct or cause the direction of management and policies. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Franchisee. The term "Store" includes all the assets of the MONKEE'S Store that Franchisee operates under this Agreement, including its revenue and the Lease. The words "include" and "including" are meant to be illustrative and not exhaustive and are deemed to be read in all cases as "including, without limitation" and/or "including but not limited to."

19.9 If two or more persons or entities at any time are the "Franchisee" under this Agreement, each person and entity shall have joint and several liability for the Franchisee's obligations under this Agreement.

19.10 The headings in this Agreement appear for convenience only and shall not alter or affect any provisions. Each pronoun used in this Agreement shall include the other numbers and genders, as appropriate.

19.11 Any notice, demand, or communication required or permitted to be given pursuant to any provision of this Agreement shall be deemed received 3 business days after being sent by registered or certified U.S. mail, return receipt requested, postage pre-paid, or 1 business day after being sent by overnight courier or by facsimile (if such facsimile is followed by a hard copy of the facsimile communication sent by overnight courier), charges pre-paid and properly addressed to the recipient of the notice, demand, or communication as follows:

(a) If to Franchisor, at 2522 Reynolda Road, Winston-Salem, North Carolina 27106.

(b) If to Franchisee, to the notice address identified in Exhibit A.

The addresses above may be modified by express written notice to the other party delivered as set forth in this Section 19.11.

19.12 Except for those amendments permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless it is in writing and executed by both parties.

19.13 Franchisee and Franchisor understand and agree that this Agreement does not create a fiduciary relationship between them, they are and will be independent contractors, and nothing in this Agreement is intended to make either of them a general or special agent, joint venturer, partner, or employee of the other for any purpose. Franchisee shall identify itself conspicuously in all dealings with customers, suppliers, public officials, Store personnel, and others as the Store's independent owner and operator under a license Franchisor has granted and to place notices of independent ownership on the forms, business cards, stationery, advertising and marketing, and other materials Franchisor periodically requires.

19.14 Franchisor and Franchisee may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that their relationship is other than franchisor and franchisee. Franchisor will not be responsible for any

damages to any person or property directly or indirectly arising out of the Store's operation or the business Franchisee conducts under this Agreement.

19.15 Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon Franchisee or the Store, due to the business Franchisee conducts (except for Franchisor's income taxes). Franchisee must pay these taxes and reimburse Franchisor for any taxes Franchisor must pay to any state taxing authority on account of either Franchisee's operation or payments Franchisee makes to Franchisor (except for Franchisor's income taxes).

19.16 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument. Signature pages exchanged by facsimile or other electronic transmission shall be deemed originals for all purposes.

ARTICLE 20 REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS

20.1 Franchisee represents, warrants and acknowledges that the execution, delivery and performance of this Agreement shall not constitute a breach of any agreement, contract or other instrument binding on the Franchisee.

20.2 If Franchisee is a partnership or corporation, the undersigned represent and warrant that each is a partner, limited partner, director, officer and/or shareholder as the case may be and that he or she agrees to comply with all of the provisions set forth herein.

20.3 The Franchisee further understands and agrees that the Franchisee will deliver to Franchisor certified copies of the Articles of Incorporation or Organization (or partnership agreement) and certified copies of a duly authorized resolution of the corporation, limited liability company, or partnership evidencing the due authorization of the corporation, limited liability company, or partnership to enter into this Agreement.

20.4 The individuals executing this Franchise Agreement on behalf of Franchisee represent and warrant that the signatures listed below constitute all of the individuals, partners, limited partners, directors, officers, shareholders and/or members of Franchisee necessary to bind Franchisee and that they consent to be bound by all of its terms.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have signed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

MONKEE'S FRANCHISING, LLC

By:_____
Deirdre H. Shaw, Manager

By:_____
Brenda M. Maready, Manager

Date:_____

FRANCHISEE:

_____
[*Full Legal Name of Business Entity Franchisee*]

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

[*Signatures of Authorized Representatives*]

Date:_____

FRANCHISEE:

_____

_____

_____

[*Signatures of Individual Franchisees*]

Date:_____

EXHIBIT A TO FRANCHISE AGREEMENT

Franchisee; Location; Protected Area; Date of Opening; Owners

1. Name of Franchisee: _____

2. Notice Address of Franchisee: _____

_____

Fax Number: _____

3. Location of Store: _____

_____

Is Lease signed as of the Effective Date? Yes No

If, no, then, upon execution of the Lease, the exact address of the Location will be inserted above, along with the date on which the Lease was executed.

4. Protected Area The Protected Area shall be a _____ mile radius from the front door of the Store located at the address in item 3 above.

5. The Store shall be open for business to the general public not later than six (6) months from theEffective Date.

Date of Opening: _____

6. List all owners, members, shareholders, or partners of record and all beneficial owners of any equity interest in Franchisee, and percentage ownership interest:

_____

_____

_____

_____

EXHIBIT B TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

Concurrent with its execution of the Franchise Agreement, if Franchisee is not an individual, each holder of an equity interest in Franchisee (e.g., shareholder, partner, member) shall execute the following Guaranty and Assumption of Obligations.

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (the "Guaranty") is given this _____day of_____, 20__, by_____(referred to jointly and severally as "Guarantor").

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by Monkee's Franchising, LLC ("Franchisor"), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) damages and remedies relating to enforcement of the Agreement, including, but not limited to reasonable accounting, attorneys', arbitrators', and related fees.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during and after the term of the Agreement (including extensions) for so long as any performance is or might be owed under the Agreement by Franchisee or its owners and for so long as Franchisor has any cause of action against Franchisee or its owners; and (5) thisGuaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of, and consents to, any and all such renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; (ii) acceptance and notice of acceptanceby Franchisor of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled; and (iii) any law or statute that requires that Franchisor make demand upon, assert claims against, or collect from Franchisee or other persons or entities, foreclose any security interest, sell collateral, exhaust any remedies, or take any other action

against Franchisee or other persons or entities prior to making demand upon, collecting from or taking action against the undersigned with respect to the obligations guaranteed by this Guaranty and any right or claim of right to cause a marshaling of Franchisee's assets or to cause Franchisor to proceed against Franchisee or any collateral held by Franchisee at any time or in any particular order, including without limitation any such rights the undersigned might otherwise have had under Va. Code §§ 49-25 and 49-26, et seq., N.C.G.S. §§ 26-7, et seq., Tenn. Code Ann. § 47-12-101, O.C.G.A. § 10-7-24, Mississippi Code Ann. Section 87-5-1, California Civil Code Section §§ 2787 to 2855 inclusive, and any successor statute and any other applicable law.

If Franchisor is required to enforce this Guaranty in a legal proceeding and prevails in such proceeding, the undersigned must reimburse Franchisor's costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', 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 Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned must reimburse Franchisor for any of the above-listed costs and expenses it incurs even if Franchisor does not commence a legal proceeding.

The obligations of the undersigned to make payment in accordance with the terms of thisGuaranty and any remedy for the enforcement thereof shall not be impaired, modified, changed, stayed, released, or limited in any manner whatsoever by impairment, modification, change, release, limitation or stay of the liability of Franchisee or its estate in bankruptcy or any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the United States Bankruptcy Code or any similar state or federal debt relief statutes, or from the decision of any court interpreting any of the same, and the undersigned shall be obligated under this Guaranty as if no such impairment, stay,modification, change, release, or limitation had occurred.

The undersigned affirms that the undersigned will receive direct and indirect benefits from Franchisor entering into the Agreement with Franchisee and that such benefit is full and adequate legal consideration for the undersigned entering into this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature and seal on the same day and year as the Agreement was signed.

PERCENTAGE OF OWNERSHIP

GUARANTOR(S)	**IN FRANCHISEE**
[Seal] Name:_____ Address: _____	%
[Seal] Name:_____ Address: _____	%
[Seal] Name:_____ Address: _____	%
[Seal] Name:_____ Address: _____	%

EXHIBIT C TO FRANCHISE AGREEMENT

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

IN CONSIDERATION of my employment, contractual, or other relationship with _____ _____, a Franchisee of Monkee's Franchising, LLC ("Franchisor") with its principal place of business at_____("Franchisee"), and in consideration for my being given the benefit of access to Franchisor's confidential, proprietary, and trade secret information by virtue of my relationship with Franchisee, I hereby agree as follows:

I recognize that through my employment, contractual, or other relationship with Franchisee I will have access to confidential, proprietary, and trade secret information of Franchisee and Franchisor. WhileI am employed by or otherwise have any relationship with Franchisee or at any time thereafter, except as necessary for the purpose of performing my obligations to Franchisee or Franchisor, or as required by law, I covenant and agree that I shall hold all Confidential Information in strictest confidence and shall not: (a) directly or indirectly reveal, report, publish, disclose, or transfer Confidential Information to any person or entity; (b) use any Confidential Information for any purpose other than for the benefit of Franchisee and Franchisor; or (c) assist any person or entity other than Franchisee and Franchisor to secure any benefit from the Confidential Information.

For the purposes of this agreement, "Confidential Information" shall be defined to mean any proprietary business information, in any form, of the Franchisee or Franchisor that is not generally known by the public or in the industry. Confidential Information shall include, but is not limited to, the following: information which is marked or designated as "confidential," either orally or in writing; Franchisor's standards, methods, policies, and procedures; Franchisor's Operations Manual; Franchisor's Franchise Disclosure Document; Franchisor's proprietary software programs; trade secrets; inventions and intellectual property; patents and patent applications; business and marketing plans and strategies; financial information; mailing lists; purchasing information; price lists; pricing policies; business opportunities; information about the business relationships and agreements with customers, clients, vendors, or contractors of Franchisor, Franchisee, orany other franchisee of Franchisor; leads or information about prospective customers of Franchisor, Franchisee, or any other franchisee of Franchisor; private or protected accounting, banking, financial or medical information; and any information which I make, conceive or develop as a result of my relationship with Franchisee.

I promise that upon the termination of my employment, contractual or other relationship with Franchisee, I shall promptly return all Confidential Information, including any copies of such information in whatever form.

I understand that any breach of the provisions of this Confidentiality and Nondisclosure Agreement by me will cause irreparable damage to Franchisee or Franchisor and that such damage will bedifficult to quantify and for which money damages alone will not be adequate. Accordingly, I agree that in addition to any other legal rights or remedies available on account of a breach or threatened breach of this agreement, Franchisee or Franchisor shall have the right to obtain an injunction to secure enforcementof this agreement. I agree that Franchisor is an intended third party beneficiary of my promises in this agreement, and that Franchisor is entitled to seek any and all available legal, equitable, and injunctive remedies to enforce this agreement and protect its business interests.

I understand that notwithstanding any North Carolina choice or conflict of laws rules to the contrary, this agreement will be interpreted and enforced in accordance with the substantive laws of the State of North Carolina. For the purpose of any suit, action, or proceeding arising out of this Covenant, I submit to the jurisdiction of the state and federal courts in the jurisdiction in which Franchisor maintains its principal place of business and waive any objections or defenses I may have based on improper venue, lack of personal jurisdiction, inconvenience of forum or any similar matter.

Accepted this___day of_____, 20__.

Witness Signature	Signature
Witness Name	Name

EXHIBIT D TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned, _____
_____
("Assignor") hereby assigns, transfers and sets over unto Monkee's Franchising, LLC, a North Carolina limited liability company ("Assignee") all of Assignor's right, title and interest as tenant in, and under that certain lease, a copy of which is attached hereto as Schedule 1 (the "Lease") respecting the Premises at _____
_____
_____
effective only upon the occurrence of one of the Events of Assignment as set forth below and subject to Assignee's written assumption of such right, title and interest upon the occurrence of such an Event of Assignment.

1. An "Event of Assignment" for purposes of this Collateral Assignment of Lease shall include the following:

(a) The termination or nonrenewal for any reason of the Franchise Agreement between Assignee and Assignor dated as of_____for the operation at the Premises of a store employing such marks and other property licensed by Assignee (the "Franchise Agreement");

(b) Assignor's default under the Lease or under the Franchise Agreement;

(c) Assignor's default under any document or instrument securing the Franchise Agreement;

(d) The abandonment of the Premises by the Assignor;

(e) Any cure by Assignee of a default by Assignor under the Lease effected after notice to Assignor or such default by the lessor or its authorized representative and Assignor's failure or refusal to cure such default within the time required in such notice; and

(f) Assignor's failure to exercise any option to renew the Lease at least thirty (30) days before the last day for exercising such option.

2. Upon the occurrence of an Event of Assignment, Assignee has the right to take possession of the Premises as set forth below 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 Landlord to effectuate the assignment this document contemplates.

3. Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with the Lease or this Assignment unless Assignee takes possession of the Premises pursuant an assignment effected hereunder and assumes in writing the obligations of Assignor under the Lease.

4. Assignor and Assignee agree that lessor may, without inquiry, rely upon any communication received from the Assignee regarding the rights, duties and obligations of the Assignor and Assignee pursuant to this Collateral Assignment of Lease and that such reliance shall impose no liability upon the lessor.

5. Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer any of its interest in the Lease or the Premises to any other party.

6. Assignor will not surrender, terminate, amend or modify the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall notify Assignee of its exercise or failure to exercise, any and all options to extend or renew the term of the Lease not less than thirty (30) days prior to the last day that such option must be exercised, unless Assignee otherwise agrees 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 theextension or renewal.

DATED:_____

ASSIGNOR/FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

ASSIGNEE/FRANCHISOR:
MONKEE'S FRANCHISING, LLC, a North Carolina limited liability company

DATED: _____

By:_____
Name:_____
Title:_____

EXHIBIT D TO FRANCHISE AGREEMENT (CONTINUED)

CONSENT TO COLLATERAL ASSIGNMENT OF LEASE AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Monkee's Franchising, LLC, a North Carolina limited liability company ("Assignee") in writing of and upon_____'s ("Assignor") failure to cure any default by Assignor under the Lease, and Assignee's address for such notices is:

Monkee's Franchising, LLC
2522 Reynolda Road
Winston-Salem, North Carolina 27106

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment of Lease dated as of_____between Assignor and Assignee, and agrees that in the event that Assignee takes possession of the premises the Lease demises and confirms to Lessor in writing that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (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 isreasonably 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 for the use permitted thereunder. In thecase of such an assignment of sublease to another franchisee of Assignee, this consent and agreement of Lessor shall again apply with respect to any such subsequent franchisee of Assignee.

Dated:_____

LESSOR:

_____

By:_____
Name:_____
Title:_____

EXHIBIT B-1
STATE-SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

AMENDMENT TO MONKEE'S FRANCHISING, LLC
FRANCHISE AGREEMENT FOR THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (815 ILCS 705/1 through 815 ILCS 705/44) (the "Illinois Franchise Act"), the Monkee's Franchising, LLC Franchise Agreement shall be supplemented as follows:

1. Section 19.2 of the Franchise Agreement shall be deleted in its entirety and the following Section 19.2 shall be substituted in lieu thereof:

> This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Illinois except to the extent governed by the United States Trademark Act of 1946 (Lanham Act) or other federal intellectual property statutes, and except that all issues relating to arbitrability, the enforcement of the agreement to arbitrate contained herein, and the conduct of any arbitration hereunder shall be governed by the United States Arbitration Act and the federal common law of arbitration. Franchisee and Franchisor acknowledge and agree that each Party's agreement regarding applicable state law set forth in this Section 19.2 provides 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. Franchisee and Franchisor further acknowledge that each Party's agreement regarding applicable state law has been negotiated in good faith and is part of the benefit of the bargain reflected by this Agreement.
> Nothing contained in this Agreement shall be deemed to waive any right Franchisee may have under the Illinois Franchise Disclosure Act of 1987 (815 ILCS 705/1 through 815 ILCS 705/44) (the "Illinois Franchise Act"). If anything contained in this Agreement is deemed to be contrary to or inconsistent with the Act, the terms of the Act will control.

2. To the extent the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Act.

3. This Amendment shall be effective only to the extent that jurisdictional requirements of the Illinois Franchise Act are met independently of, and without reference to, this Amendment. This Amendment shall have no effect if the jurisdictional requirements of the Illinois Franchise Act are not met.

4. Section 41 of the Illinois Franchise Disclosure Act states, "Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

MONKEE'S FRANCHISING, LLC

By:_____
Deirdre H. Shaw, Manager

Date:_____

By:_____
Brenda M. Maready, Manager

Date:_____

FRANCHISEE:

_____
[*Full Legal Name of Business Entity Franchisee*]

By:_____

Name:_____

Title:_____

Date:_____

By:_____

Name:_____

Title:_____

Date:_____

By:_____

Name:_____

Title:_____

Date:_____

[*Signatures of Authorized Representatives*]

FRANCHISEE:

_____

Name:_____

Date:_____

_____

Name:_____

Date:_____

_____

Name:_____

Date:_____

[*Signatures of Individual Franchisees*]

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

1. 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.

2. The Franchise Agreement (and Development Agreement, if applicable) 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.

3. 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.

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

AMENDMENT TO MONKEE'S FRANCHISING, LLC
FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota's Franchise Act, the Monkee's Franchising, LLC Franchise Agreement shall be supplemented as follows:

1. Section 12.1(f) of the Franchise Agreement shall be supplemented by the addition of the following language at the end of the section:

> provided, however, that you shall not be required to release any claims that you may have arising under the Minnesota Franchise Act (Minn. Stat. §80C.01 - 80C.22 (2000)).

2. Section 14.3(c) of the Franchise Agreement shall be supplemented by the addition of the following language at the end of the section:

> provided, however, that you shall not be required to release any claims that you may have arising under the Minnesota Franchise Act (Minn. Stat. §80C.01 - 80C.22 (2000)).

3. Section 19.2 of the Franchise Agreement shall be supplemented by the addition of the following language at the end of the section, which shall be considered an integral part of the Franchise Agreement:

> Notwithstanding anything to the contrary in this Agreement, with respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. § 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 for notice for non-renewal of the franchise agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

4. Section 18.1(e) of the Franchise Agreement shall be supplemented by the addition of the following language at the end of the section, which shall be considered an integral part of the Franchise Agreement.

> Notwithstanding anything to the contrary in this Agreement, the Minnesota Franchise Act (Minn. Stat. §80.21 and Minn Rule 2860.4400J prohibit us from requiring litigation or arbitration to be conducted outside Minnesota. In addition, nothing in the offering circular or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your right to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. This Amendment shall be effective only to the extent that jurisdictional requirements of the Minnesota Franchise Act are met independently of, and without reference to, this Amendment. This Amendment shall have no effect if the jurisdictional requirements of the Minnesota Franchise Act are not met.

AMENDMENT TO MONKEE'S FRANCHISING, LLC
FRANCHISE AGREEMENT FOR THE STATE OF NEW YORK

In recognition of the requirements of the State of New York's General Business Law, the Monkee's Franchising, LLC Franchise Agreement shall be supplemented as follows:

1. Section 14.1 of the Franchise Agreement shall be supplemented by the addition of the following language at the end of the section:

> However, no assignment shall be made except to an assignee who in the good faith judgment of Franchisor, is willing and able to assume Franchisor's obligations under this Agreement.

2. Section 19.2 of the Franchise Agreement shall be supplemented by the addition of the following language at the end of such section, which shall be considered an integral part of the Franchise Agreement:

> The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33.

3. This Amendment shall be effective only to the extent that jurisdictional requirements of the General Business Law are met independently of, and without reference to, this Amendment. This Amendment shall have no effect if the jurisdictional requirements of the General Business Law are not met.

AMENDMENT TO MONKEE'S FRANCHISING, LLC
FRANCHISE AGREEMENT FOR THE STATE OF NORTH DAKOTA

In recognition of the requirements of the North Dakota's Franchise Investment Law, the Monkee's Franchising, LLC Franchise Agreement shall be supplemented by the following:

1. Section 12.1(f) of the Franchise Agreement shall be supplemented by the addition of the following language at the end of the section:

> provided, however, that you shall not be required to release any claims that you may have arising under North Dakota law;

2. Section 14.3(c) of the Franchise Agreement shall be supplemented by the addition of the following language at the end of the section:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

3. Section 19.2 of the Franchise Agreement shall be supplemented by the addition of the following language at the end of such section, which shall be considered an integral part of the Franchise Agreement:

> Notwithstanding anything to the contrary contained herein, Franchisee shall not be required to consent to: (a) the jurisdiction of courts outside of North Dakota; (b) the application of agoverning law other than the law of North Dakota; or (c) the location for arbitration outside of North Dakota.

4. This Amendment shall be effective only to the extent that jurisdictional requirements of the North Dakota Franchise Investment Law are met independently of, and without reference to, this Amendment. This Amendment shall have no effect if the jurisdictional requirements of the North Dakota Franchise Investment Law are not met.

AMENDMENT TO MONKEE'S FRANCHISING, LLC
FRANCHISE AGREEMENT FOR THE STATE OF SOUTH DAKOTA

In recognition of the requirements of South Dakota's Franchises for Brand-Name Goods and Services Law, the Monkee's Franchising, LLC Franchise Agreement shall be supplemented as follows:

1. Section 19.2 of the Franchise Agreement shall be supplemented by the addition of the following language at the end of such section, which shall be considered an integral part of the Franchise Agreement:

> Notwithstanding anything to the contrary in this Section 19.2, the law regarding franchise registration, employment, covenants not to compete, and other matters of local concern shall be governed by the laws of the State of South Dakota.

2. Section 18.1(e) of the Franchise Agreement shall be supplemented by the addition of the following language at the end of such section, which shall be considered an integral part of the Franchise Agreement:

> Notwithstanding anything to the contrary in this Article 18, any arbitration described in this Article 18 shall be conducted at a mutually agreed upon site, in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association. Franchisee is not required to submit to venue or forum outside the State of South Dakota for any claims Franchisee may have under the South Dakota Franchises for Brand-Name Goods and Services Law (S.D. Codified Laws §37-5A (2001)).

3. This Amendment shall be effective only to the extent that jurisdictional requirements of the South Dakota Franchises for Brand-Name Goods and Services Law are met independently of, and without reference to, this Amendment. This Amendment shall have no effect if the jurisdictional requirements of the South Dakota Franchises for Brand-Name Goods and Services Law are not met.

AMENDMENT TO MONKEE'S FRANCHISING, LLC
FRANCHISE AGREEMENT FOR THE STATE OF WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, the Monkee's Franchising, LLC Franchise Agreement shall be supplemented by the addition of the following terms, which shall prevail in the event of a conflict with the other terms of the Franchise Agreement:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede this 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.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration,or as determined by the arbitrator.

3. In the event of a conflict of laws, the provisions of the Washington Franchise InvestmentProtection Act (the "Act"), Chapter 19.100 RCW shall prevail.

4. A release of waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

6. This Amendment shall be effective only to the extent that jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently of, and without reference to, this Amendment. This Amendment shall have no effect if the jurisdictional requirements of the Washington Franchise Investment Protection Act are not met.

EXHIBIT C

ASSOCIATE STORES INFORMATION

This Exhibit C includes information about Associate Stores under contract with our affiliate and predecessor, Monkee's, LLC. The referenced years are those ended December 31, 2022, December 31, 2023, and December 31, 2024. Monkee's, LLC no longer contracts for the opening of Associate Stores, but has continued to oversee the operations of these stores that operate under their original contracts. As of the date of the Franchise Disclosure Document, there remains only one Associate Store which operates a MONKEE'S retail stores under a license agreement from Monkee's, LLC. The Associate Store sells similar high-quality goods as MONKEE'S franchise stores.

Table No. 1

Systemwide Outlet Summary
For Years 2022, 2023, and 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Associate Stores	2022	1	1	0
	2023	1	1	0
	2024	1	1	0

Table No. 2

Transfers from Owners of Associate Stores to New Owners (other than to Monkee's, LLC)
For Years 2022, 2023, and 2024

State	Year	Number of Transfers
TOTALS	2022	0
	2023	0
	2024	0

Table No. 3

Status of Associate Stores
For Years 2022, 2023, and 2024

State	Year	Outlets at start of year	Outlets opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased operations – Other Reasons	Outlets at End of Year
NC	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

TOTALS	2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

Table No. 4

A list of names, addresses, and telephone numbers of Associate Stores is below.

The following Associate Store was open as of December 31, 2023

.

LOCATION	NAME/COMPANY	ADDRESS	PHONE AND FAX NUMBERS
Greenville, North Carolina	East Carolina Clothiers, LLC Attn: Lauren & Brian Dishman	639 Red Banks Road Greenville, North Carolina 27858	Phone: (252) 758-SHOE Fax: (252) 758-7460

EXHIBIT D
STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

State franchise administrators:

STATE	STATE ADMINISTRATOR	ADDRESS
California	Department of Business Oversight Business Services and Consumer and Investor Protection	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (866) 275-2677
Hawaii	Department of Commerce and Consumer Affairs	335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of the Attorney General	500 South Second Street Springfield, IL 62706
Indiana	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Maryland	Office of the Attorney General Securities Division	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Consumer Protection Division Franchise Section	525 West Ottawa 670 Law Building Lansing, MI 48913
Minnesota	Department of Commerce	85 7th Place East, Suite 500 St. Paul, MN 55101-2198
New York	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
North Dakota	North Dakota Securities Department	600 East Boulevard, Fifth Floor Bismarck, ND 58505
Rhode Island	Department of Business Regulation Securities Division	233 Richmond Street, Suite 232 Providence, RI 02903-4232
South Dakota	Department of Labor and Regulation Division of Securities	124 South Euclid, Suite 104 Pierre, SD 57501
Virginia	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division	150 Israel Road, S.W. Tumwater, WA 98501
Wisconsin	Department of Financial Institutions Securities Division	201 W. Washington, Suite 300 Madison, WI 53703

EXHIBIT D
STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Agents for service of process:

We authorize the following, to accept service of process on our behalf in the respective states:

STATE	AGENT	ADDRESS
California	Department of Business Oversight Business Services and Consumer and Investor Protection	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344
Hawaii	Commissioner of Securities Department of Commerce and Consumer Affairs	335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana	Indiana Secretary of State	201 State House Indianapolis, IN 46204
Maryland	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Commerce Corporations and Securities Bureau	525 West Ottawa 670 Law Building Lansing, MI 48913
Minnesota	Commissioner of Commerce	85 7th Place East, Suite 500 St. Paul, MN 55101-2198
New York	New York Secretary of State New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001
North Dakota	Securities Commissioner	600 East Boulevard, Fifth Floor Bismarck, ND 58505
North Carolina	Brenda M. Maready	2522 Reynolda Road Winston-Salem, NC 27106
Rhode Island	Director of the Department of Business Regulation	233 Richmond Street, Suite 232 Providence, RI 02903-4232
South Dakota	Department of Labor and Regulation Division of Securities	124 South Euclid, Suite 104 Pierre, SD 57501
Virginia	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions	150 Israel Road, S.W. Tumwater, WA 98501
Wisconsin	Commissioner of Securities Department of Financial Institutions, Division of Securities	201 W. Washington, Suite 300 Madison, WI 53703

EXHIBIT E

STATE SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented as follows:

1. The California Franchise Investment Law requires that a copy of all proposed Agreements relating to the sale of the Franchise be delivered together with the Franchise Disclosure Document.

2. Item 3 is amended to reflect that:

Neither we nor any person or broker identified in Item 2 of the Franchise Disclosure Document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership is such association or exchange.

3. Item 17 is amended by the addition of the following statements:

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement contains covenants not to compete that extend beyond expiration or termination of the Agreement. These provisions may not be enforceable under California law.

The California Corporations Code, Section 31125, requires that we give you a disclosure document, approved by the Department of Corporations, before we solicit a proposed material modification of an existing franchise.

If the Franchise Agreement contains a liquidated damages clause, under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires the application of the laws and forum of North Carolina. This provision may be unenforceable under California law.

The Franchise Agreement requires you to sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement contains a provision requiring binding arbitration of disputes to occur in North Carolina with the prevailing party being entitled to an award if its costs and reasonable attorney's fees. This provision may not be enforceable under California Law.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

4. The financial performance representation figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

5. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www.corp.ca.gov.

6. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented as follows:

1. The following is added to Item 17 of the Franchise Disclosure Document:

   Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of this State is void, provided that the Franchise Agreement may provide for arbitration ina forum outside of this State.

2. The governing law and choice of law clauses contained in the Franchise Agreement are governed by Illinois Law.

3. Section 41 of the Illinois Franchise Disclosure Act states that, "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this state is void."

IN WITNESS WHEREOF, the parties have signed and delivered this Illinois Addendum to the Franchise Disclosure Document on the dates noted below, to be effective as of the Effective Date.

MONKEE'S FRANCHISING, LLC

By:_____
Deirdre H. Shaw, Manager

Date:_____

By:_____
Brenda M. Maready, Manager

Date:_____

FRANCHISEE:

_____

[*Full Legal Name of Business Entity Franchisee*]

By:_____

Name:_____

Title:_____

Date:_____

By:_____

Name:_____

Title:_____

Date:_____

By:_____

Name:_____

Title:_____

Date:_____

[*Signatures of Authorized Representatives*]

FRANCHISEE:

_____

Name:_____

Date:_____

_____

Name:_____

Date:_____

_____

Name:_____

Date:_____

[*Signatures of Individual Franchisees*]

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented as follows:

1. In Item 17, the summary accompanying provisions (c) and (m) with regard to the Franchise Agreement shallbe supplemented by the addition of the following language at the end of the summary:

> 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.

2. In Item 17, the summary accompanying provision (f) with regard to the Franchise Agreement shall be supplemented by the addition of the following language at the end of the summary:

> This provision may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et seq.)

3. In Item 17, the summary accompanying provision (v) with regard the Franchise Agreement shall be supplemented by the addition of the following language at the end of the summary:

> The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive trade practice to require a franchisee to waive its rights 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.

4. Item 17 shall be supplemented by the addition of the following language:

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

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

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN

In recognition of the requirements of the Michigan Franchise Investment Law the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented by the following:

1. 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 under Michigan law and cannot be enforced against you.

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in 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 such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the

franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions asa 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.

2. The fact that there is a notice of this offering on file with the Michigan Attorney General does not constitute approval, recommendation, or endorsement by the Michigan Attorney General.

3. Any questions regarding the notice should be directed to the Department of the Attorney General, 525 W. Ottawa Street, Lansing, Michigan 48909 (571) 373-7117.

4. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

5. This Addendum shall be effective only to the extent that jurisdictional requirements of the Michigan Franchise Investment Law are met independently of, and without reference to, this Addendum. This Addendum shall have no effect if the jurisdictional requirements of the Michigan Franchise Investment Law are not met.

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented as follows:

1. Item 13 shall be supplemented by the addition of the following language at the end of the section:

   With respect to franchises governed by Minnesota, the franchisor will comply with Minn. Stat. §80C.12, Subd.1(g), and protect the franchisee's right to use the trademarks, service marks, trade name, logotypes, or other commercial symbols and indemnify the franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

2. Item 17 shall be supplemented by the addition of the following language at the end of the section:

   Minn Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the offering circular or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statues, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

   With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. § 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that afranchisee be given 90 days notice of termination (with 60 days to cure) and 180 days for notice for non-renewal of the franchise agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

3. In Item 17, the summary accompanying provision (c) with regard the Franchise Agreement shall be supplemented by the addition of the following language at the end of the summary:

   Minn. Stat. Sec. 80C.14, Subd. 4 requires that, except in certain specified cases, we give you 180 days notice of nonrenewal. Despite anything to the contrary stated above, you will not be required to release any claims that you may have arising under the Minnesota Franchise Act (Minn. Stat. §80C.01 - 80C.22 (2000)).

4. In Item 17, the summary accompanying provision (g) with regard the Franchise Agreement shall be supplemented by the addition of the following language at the end of the summary:

   Minn. Stat. Sec. 80C.14, Subd. 3 requires that, except in certain specified cases, a franchisee be given 90 days notice of termination (with 60 days to cure).

5. In Item 17, the summary accompanying provision (m) with regard the Franchise Agreement shall be supplemented by the addition of the following language at the end of the summary:

   Minn. Stat. Sec. 80C.14, Subd. 5 requires that we not unreasonably withhold consent to a transfer. You will not be required to release any claims that you may have under the Minnesota Franchise Act (Minn. Stat. §80C.01 - 80C.22 (2000)) as a condition for transfer. Despite anything to the contrary stated above, you will not be required to release any claims that you may have arising under the Minnesota Franchise Act (Minn. Stat. §80C.01 - 80C.22 (2000)).

6. In Item 17, the summary accompanying provision (w) with regard the Franchise Agreement shall be supplemented by the addition of the following language at the end of the summary:

> Nothing in this offering circular or the Franchise Agreement will reduce or abrogate any rights you may have under the Minnesota Franchise Act (Minn. Stat. §80C.01 - 80C.22 (2000)).

7. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

8. This Addendum shall be effective only to the extent that jurisdictional requirements of the Minnesota Franchise Act are met independently of, and without reference to, this Addendum. This Addendum shall have no effect if the jurisdictional requirements of the Minnesota Franchise Act are not met.

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

In recognition of the requirements of the State of New York's General Business Law, the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented as follows:

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THISFRANCHISE 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, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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 franchisorheld 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 Sections 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.

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA

In recognition of the requirements of North Dakota's Franchise Investment Law, the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented as follows:

1. In Item 17, the summary accompanying provision (r) with regard the Franchise Agreement shall be supplemented by the addition of the following language at the end of the summary:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

2. In Item 17, the summary accompanying provision (c) with regard the Franchise Agreement shall be supplemented by the addition of the following language at the end of the summary:

> Despite anything to the contrary stated above, you will not be required to release any claims that you may have arising under North Dakota law.

3. Item 17 shall be supplemented by the addition of the following language immediately following the chart regarding the Franchise Agreement:

> Despite anything to the contrary stated in either chart above, you are not required to arbitrate outside North Dakota or consent to any law other than North Dakota law as the governing law of the Franchise Agreement.

3. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

4. This Addendum shall be effective only to the extent that jurisdictional requirements of the North Dakota Franchise Investment Law are met independently of, and without reference to, this Addendum. This Addendum shall have no effect if the jurisdictional requirements of the North Dakota Franchise Investment Law are not met.

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

In recognition of the requirements of Rhode Island's Franchise Investment Act, the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented as follows:

1. Item 17 shall be supplemented by the addition of the following language immediately following the chart regarding the Franchise Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

3. This Addendum shall be effective only to the extent that jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently of, and without reference to, this Addendum. This Addendum shall have no effect if the jurisdictional requirements of the Rhode Island Franchise Investment Act are not met.

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF SOUTH DAKOTA

In recognition of the requirements of South Dakota's Franchises for Brand-Name Goods and Services Law, the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented as follows:

1. Item 17 shall be supplemented by the addition of the following language immediately following the chart regarding the Franchise Agreement:

> Despite anything to the contrary in the chart above, the law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota. Any arbitration described above will be conducted at a mutually agreed upon site, in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association. You are not required to submit to venue or forum outside the State of South Dakota for any claims you may have under the South Dakota Franchises for Brand-Name Goods and Services Law (S.D. Codified Laws §37-5A (2001)).

2. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

3. This Addendum shall be effective only to the extent that jurisdictional requirements of the South Dakota Franchises for Brand-Name Goods and Services Law are met independently of, and without reference to, this Addendum. This Addendum shall have no effect if the jurisdictional requirements of the South Dakota Franchises for Brand-Name Goods and Services Law are not met.

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE COMMONWEALTH OF VIRGINIA

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

1. Item 17 shall be supplemented by the addition of the following language immediately following the chart regarding the Franchise Agreement:

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

2. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

3. This Addendum shall be effective only to the extent that jurisdictional requirements of the Virginia Retail Franchising Act are met independently of, and without reference to, this Addendum. This Addendum shall have no effect if the jurisdictional requirements of the Virginia Retail Franchising Actare not met.

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

ADDENDUM TO MONKEE'S FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

In recognition of the requirements of Washington's Franchise Investment Protection Act, the Monkee's Franchising, LLC Franchise Disclosure Document shall be supplemented as follows:

1. The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement and the development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement and your development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

3. In the event of a conflict of laws, the provisions of the Washington Franchise InvestmentProtection Act, Chapter 19.100 RCW shall prevail.

4. A release of waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

6. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

7. This Addendum shall be effective only to the extent that jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently of, and without reference to, this Addendum. This Addendum shall have no effect if the jurisdictional requirements of the Washington Franchise Investment Protection Act are not met.

EXHIBIT F
COMPUTER HARDWARE AND SOFTWARE REQUIREMENTS

Franchisee shall obtain and maintain hardware and software in compliance with the following minimum requirements, which may be revised and updated from time to time by Monkee's Franchising, LLC.

Approved POS System
- Heartland Retail Point of Sale

Approved Accounting System
- QuickBooks On-line

Approved Payment Processing System
- Heartland Payment Systems

Other
- Anti-Virus as recommended by your local IT professional services

Hardware for POS: Following are the minimum hardware requirements
- PC: 64 bit Windows 10 or newer OS
- iOS: iOS 14 or newer (most recent version is best)
- Mac: Mac OS X 11.3 (Big Sur) or newer
- 1 Gigahertz (GHz) or faster 64 bit (x64) processor
- At least 8 GB of RAM
- At least 16 GB available hard disk space

Supported Internet Browsers:
- The latest versions of Chrome (Heartlands preferred web browser), Mozilla, Firefox, and Safari (if on Mac)

Internet Service Providers: Below are the recommended internet connectivity options forHeartland Retail POS
- Fiber Optic (FiOS) service or cable connection
- DSL is not recommended but can be used as a last resort (this is due to limitations in bandwidth)
- A 5G and 2.4G internet is required for your hardware devices in the store
- A 4G connection is sufficient for back up purposes, but too slow for a primary connection.
- Download bandwidth should be 15Mbps and upload bandwidth should be 5 Mbps
- Ping time should be under 100 ms (the lower the better)
- Wireless Router/Switch
- UPS Battery Back Up

Network
Your store should be professionally wired by a networking specialist, and you should use dedicatedethernet cabling for the front computer and credit card terminals It is a good idea to split your Wi-Fi network into two connections to have one for hardware devices (computers, printers, credit card machines, etc.) and one for other devices (speakers, security systems, phones, etc.) Ask your network provider to split into 5g and 2.4g networks.

POS System Peripherals
- Star Micronics CD3-16X16 Cash Drawer
- Star TSP100III USB Receipt Printer
- Socket Mobile 700 Series Bluetooth Barcode Scanner
- Bixolon SLP-DX220 USB Direct Thermal Label Printer
- PAX A35 (Ethernet or Wi-Fi connection) or PAX A920 (Wi-Fi only) Credit Card Terminal Options

(Heartland Payments)

Hardware and Software for Back Office Use: Following are the minimum hardware and software requirements.

- Laptop or Desktop with compatibility to operate the programs listed below as well as sufficient processing and memory required for same and high-speed internet
    - QuickBooks on-line
    - Microsoft Windows Operating System
    - Microsoft Office
    - Anti-Virus and Firewall Software
- One all-in-one printer/scanner/copier/fax machine
- Telephone service with a 2line configuration, two lines for voice (rollover)

EXHIBIT G

Intentionally omitted.

EXHIBIT H
FORM OF GENERAL RELEASE

_____ a_____, whose address for the purpose of this Release is _____ ("Franchisee"), _____, a(n) _____, whose address for the purpose of this Release is _____, and _____, a(n) _____, whose address for the purpose of this Release is _____ (collectively, "Franchisee's Principals") hereby release and forever discharge Monkee's Franchising, LLC, a North Carolina limited liability company having its principal place of business at 2522 Reynolda Road, Winston-Salem, North Carolina 27106 ("Company"), its affiliates, and their respective heirs, successors, members, shareholders, representatives, assigns, agents, employees, managers, officers and directors ("Affiliates"), of and from any claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action of every nature, character and description, known or unknown, vested or contingent, that Franchisee or any of Franchisee's Principals now own or hold, or has at any time heretofore owned or held, or may at any time own or hold against Company and its Affiliates, arising prior to and including the date of this Release, including, without limitation, any such claims that Franchisee or any of Franchisee's Principals may have against Company and its Affiliates (i) arising under any agreement between Franchisee and its Principals and Company and its Affiliates, except those surviving the termination of that certain Franchise Agreement dated _____between Franchisee and Company (the "Franchise Agreement"), and any settlement agreement related to its termination, (ii) arising from the parties' conduct during the term of the Franchise Agreement, (iii) arising during Franchisee's operation of the franchised MONKEE'S® Store located at_____, (iv) arising under federal, state and local laws, rules or ordinances, including, but not limited to, federal and state franchise and deceptive trade practice laws, or (v) any obligation to refund or otherwise return any part of the franchise fee that Franchisee paid to Company upon the execution of the Franchise Agreement.

IN WITNESS WHEREOF the parties have executed and delivered this General Release on this _____day of_____.

FRANCHISEE

[Name of Entity if Franchise is a business Entity]

By:_____
Title:_____

FRANCHISEE'S PRINCIPALS

_____
Print Name:_____

_____
Print Name:_____

State Effective Dates

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

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

STATE	EFFECTIVE DATE
Illinois	April 19, 2020
Maryland	December 30, 2024
New York	Pending
Virginia	April 26, 2025
Rhode Island	June 9, 2025

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
RECEIPT

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

If Monkee's Franchising, LLC offers you a franchise, federal law requires that it must provide this Franchise 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 and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Monkee's Franchising, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate regulatory authority listed on Exhibit D.

The franchise seller(s) offering this franchise is/are indicated below. Their business address and telephone number is: Monkee's Franchising, LLC, 2522 Reynolda Road, Winston-Salem, North Carolina 27106; Telephone: (866) 307-1294.

Deirdre Shaw
Pete Green

I have received a Franchise Disclosure Document (including state addenda), issued as of April 14, 2025. This Franchise Disclosure Document included the following Exhibits:

A. Financial Statements
B. Franchise Agreement
B-1. State Amendments to Franchise Agreement
C. List of Outlets
D. State Administrators and Agents for Service of Process
E. State Addenda to Franchise Disclosure Document
F. Computer Hardware and Software Requirements
G. Intentionally omitted
H. Sample Form of General Release
I. Receipt

_____ _____
DATE Franchisee

By: _____

Title: _____

Return this copy of the signed receipt by signing, dating and mailing it to Monkee's Franchising, LLC at 2522 Reynolda Road, Winston-Salem, North Carolina 27106. You may keep the second copy for your records.

EXHIBIT I
RECEIPT
(Keep this copy for your records)

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ND:4898-8066-7468, v. 1