PEARCE BESPOKE

FRANCHISE DISCLOSURE DOCUMENT

PEARCE BESPOKE FRANCHISING, LLC

ISSUANCE DATE: April 30, 2026

FRANCHISE DISCLOSURE DOCUMENT

Pearce Bespoke Franchising, LLC
A North Carolina limited liability company
7959 Palm Park Lane
Baton Rouge, LA 70809
Telephone: (205) 919-2949
info@pearcebespoke.com
www.pearcebespoke.com

The franchisee will own and operate a Pearce Bespoke franchised business from which the franchisee will sell quality custom clothing and accessories.

The total investment necessary to begin operation of a Pearce Bespoke franchised business ranges from $72,004 to $129,005. This amount includes $69,355 to $76,505 which must be paid to us before opening your Pearce Bespoke franchised business.

The estimated total investment necessary to operate multiple Pearce Bespoke franchised businesses under our form of area development agreement depends on the number of Pearce Bespoke franchised businesses we grant you the right to open. Generally, we grant area development agreements ranging from two (2) to six (6) Pearce Bespoke franchised businesses. By way of example, the total investment necessary to enter into an area development agreement for the right to develop two (2) Pearce Bespoke franchised businesses ranges from $122,904 to $179,905, which includes: (i) between $116,755 to $127,405, that is paid directly to us or our affiliates and (ii) your total investment to begin operation of the first Pearce Bespoke franchised business in accordance with your development schedule, as described in the area development agreement. The total investment necessary to enter into an area development agreement for the right to develop (6) Pearce Bespoke franchised businesses ranges from $273,004 - $331,505, which includes: (i) between $270,355 to $279,005, that is paid directly to us or our affiliates and (ii) your total investment to begin operation of the first Pearce Bespoke franchised business in accordance with your development schedule, as described in the area development agreement.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Development Department at Pearce Bespoke Franchising, LLC, 7959 Palm Park Lane, Baton Rouge, LA 70809; (205) 919-2949.

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

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

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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 Pearce Bespoke 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 Pearce Bespoke franchisee?	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 may require you to make additional investments in your franchise business or may harm your franchise business.

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation or binding arbitration only in Louisiana. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Louisiana than in your own state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

4. **Sales Performance Required**. You must maintain 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.

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

6. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

7. **Unregistered Trademark**: The Primary Trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

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

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

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this franchise Disclosure Document, the franchisor, Pearce Bespoke Franchising, LLC shall be referred to as "Pearce Bespoke," "Franchisor," or "we," while the individual or entity purchasing the Pearce Bespoke franchised business shall be referred to as "Franchisee" or "you." If the Franchisee is a corporation, partnership, or other entity, "Franchisee" or "you" will refer to all its members, shareholders, and owners.

The Franchisor

Pearce Bespoke was incorporated under the laws of the state of North Carolina on November 5, 2021. Its principal business address is 7959 Palm Park Lane, Baton Rouge, LA 70809. We began offering franchises in February 2022. Pearce Bespoke does not offer franchises nor conducts business in any line of business that provides products or services to Pearce Bespoke franchisees.

Parents, Predecessors, and Affiliates

Pearce Bespoke does not have a parent company, subsidiary, or predecessor at the issuance date of this Disclosure Document.

We have one affiliate entity, Nathan Pearce, LLC d/b/a Pearce Bespoke, a Louisiana limited liability company formed October 3, 2019, and since September 2022 has operated a business in the Baton Rouge, Louisiana area similar to the business we offer in this Disclosure Document. The affiliate does not conduct any other business, nor does it provide products or services to other Pearce Bespoke franchisees.

The principal business addresses of our agents for service of process are 7959 Palm Park Lane, Baton Rouge, LA 70809, and the state agency addresses shown on Exhibit B.

Except as disclosed above, no parent, predecessor, or affiliate offers franchises nor conducts business in any other line of business.

Franchise Offering

We offer and sell franchises to Franchisees for mobile units under the Pearce Bespoke™ mark (hereinafter, "Franchise") under the terms of the franchise agreement in the form included in this Disclosure Document, as Exhibit E (the "Franchise Agreement"). A Franchise is a mobile unit from which you will sell quality custom men's and women's clothing and accessories. Pearce Bespoke emphasizes consumer value by offering quality custom merchandise at substantial savings and convenience from traditional custom tailors. If you enter into a Franchise Agreement, you must pay us a one-time franchise fee upon execution of your Franchise Agreement, as defined below in Item 5 below and in the Franchise Agreement.

Development Agreement

If we determine that you are financially and operationally qualified to develop multiple Franchises, we may offer you the opportunity to enter into a Development Agreement, whereby you will commit to develop a certain number of Franchises that we determine to be appropriate. When signing a Development Agreement, you must sign the Franchise Agreement for the first mobile unit and pay the Development Fee stated in Item 5 for the corresponding number of Franchises to be developed as well as the fees for the Opening Inventory Package, Clothier Inventory Package, on-site training, and uniforms for the first mobile unit. Upon establishing each additional unit under the Development Schedule, you are required to sign a then-current Franchise Agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document, but you will not be required to pay any additional initial franchise fee at the time you execute each of these franchise agreements.

Marketing, the Business System, the Marks, and the Manuals

Pearce Bespoke has developed a marketing system which creates a certain product image in the minds of customers, a business strategy for getting and keeping customers, and a distribution method for products and services. Pearce Bespoke has developed all these areas of business as part of its system (the "Business System"), which you will receive the right to use Pearce Bespoke uses and licenses certain service marks and trademarks, logos, trade dress, and other commercial symbols, including the service mark Pearce Bespoke (collectively, the "Marks"). Pearce Bespoke may, in the future, modify the Marks as well as add new trademarks, service marks, logos, trade dress, and other commercial symbols.

The purchase of a Franchise permits you: (i) to use Pearce Bespoke's Marks; (ii) to obtain access to the distinctive operational and management attributes of the Business System, including confidential manuals describing complete guidelines for the operation of a Franchise (the "Manuals"); (iii) the right to use Pearce Bespoke's Approved Suppliers (see Item 8); and (iv) to receive the benefits of association with an expanding franchise system, including various forms of opening and operational assistance from Pearce Bespoke (see Item 11). You must comply with all of Pearce Bespoke's requirements described in the Franchise Agreement and the Manuals. This compliance assures uniform and consistent application of the Business System which is essential to the successful operation of your Franchise.

Laws and Regulations

You must comply with all laws, rules, and regulations governing the operation of the Franchise, and obtain all permits and licenses necessary to operate your Franchise (including licenses to play music, videos, or television in your Franchise, if applicable). In addition to laws and regulations that apply to businesses generally, your Franchise may be subject to local statutes or regulations that generally govern tailors and other trades. You should check with state and local government entities to find out if these types of statutes or regulations will apply to your franchise. Your Franchise will also be subject to various federal, state, and local government regulations, including those relating to site location.

Competitive Nature of the Industry

The market for custom tailored men and women's clothing and accessories is well developed, competitive, and continues to expand as consumers recognize the value associated with these custom items. As a result, you will face significant competition, both directly and indirectly, from similar mobile custom clothing competitors. You will likely also compete with other retail custom clothing shops, on-line sales, and similar clothing websites. Pearce Bespoke and its franchisees will likely face increased competition as additional competitors enter the market. Several of these competitors are regional or national systems selling custom clothing and related accessories. Several of these competitors may have significantly greater financial resources than Pearce Bespoke and you.

ITEM 2
BUSINESS EXPERIENCE

Nathan Pearce – Chairman of the Board, Director, and Chief Executive Officer

Nathan Pearce has served as the Company's Chief Executive Officer since October 2021 and is based at the Company's headquarters in Baton Rouge, Louisiana. He is also the Co-Founder of Made and Mastered d/b/a Maison Chemise, headquartered in Atlanta, Georgia, where he has served since May 2019.

Shafik Mina – President and Chief Operating Officer

Shafik Mina has served as the Company's President and Chief Operating Officer since April 1, 2025. From June 2012 to October 2024, he was President and Co-Owner of the Mad Science

Group, located in Montreal, Quebec, Canada. He also co-founded Crayola Imagine Arts Academy and served as its President from April 2017 to October 2024, also located in Montreal, Quebec, Canada.

Nathanael Millhouse - Director of Franchise Development

Mr. Millhouse has served as Director of Franchise Development for Pearce Bespoke Franchising, LLC from October 202 to present. He served as Chief Sales and Development Officer for NexGen Franchising, LLC in St Petersburg, FL from August 2024 to November 2025. Mr. Millhouse is also the owner and founder of Unparalleled Performance, LLC, a franchise consulting company in Olathe, KS from March 2019 to February 2021 and in St. Petersburg, FL from March 2021 to present.

Drake Linarte – Vice President of Operations

Drake Linarte joined the Company as Vice President of Operations on June 17, 2024. From August 2019 to October 2023, he was employed at Swift Transportation.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

In re Pearce, Case No. 17-50881 (U.S. Bankruptcy Court for the Southern District of Mississippi, October 2, 2017). Our Chief Executive Officer, Nathan Pearce, personally filed a bankruptcy petition under Chapter 7 of the U.S. Bankruptcy Code on May 3, 2017. The bankruptcy court entered a discharge in October 2017.

Our Director of Franchise Development, Nathanael Job Millhouse, with an address and principal place of business at 6251 Shoreline Drive #2205, St. Petersburg, FL 33708, filed a voluntary petition under Chapter 13 of the United States Bankruptcy Code on January 6, 2017 (Case No. 17-10036, United States Bankruptcy Court for the Southern District of Ohio, Western Division). Mr. Millhouse was a minority partner of Gulf Coast Hearing, where its majority owners closed the business due to financial difficulties. Mr. Millhouse had personally guaranteed some of the business debt. The bankruptcy plan was confirmed on February 28, 2017, and completed on April 14, 2022. Mr. Millhouse was granted a discharge on May 16, 2022. Total unsecured claims discharged without full payment amounted to $155,624.63. All matters related to this bankruptcy have been concluded. Mr. Millhouse joined our executive team as Director of Franchise Development, November 2025.

Other than what has been disclosed above, no bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement

When you sign your Franchise Agreement, you must pay to us the initial franchise fee ("Franchise Fee") of $55,900, for a Franchised Territory with a population of between 50,000 to 200,000 people approximately. The Franchise Fee is due upon the signing of our Franchise Agreement and is considered fully earned by Pearce Bespoke upon payment. The Franchise Fee includes your license to operate the Franchise. This Franchise Fee is not refundable, in whole or in part, under any circumstances. The initial Franchise Fee is calculated and applied uniformly to all our franchisees. The method we use to calculate the Franchise Fee is

uniform for all franchises that we offer through this Disclosure Document.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you. We currently offer an incentive whereby we will discount the Initial Franchise Fee to $5,000 for Territory 1 for active duty or honorably discharged veterans of the U.S. Armed Forces.

Development Agreement

If we determine that you are financially and operationally qualified to develop multiple Franchises, we may offer you the opportunity to enter into a Development Agreement, in which you will commit to develop a certain number of Franchises that we determine to be appropriate. We have the right to determine the number of Franchises that we deem as appropriate in our sole and absolute discretion, based upon several factors, such as but not limited to, territory availability, your business acumen, your financial wherewithal, your ability to fund or obtain funding for your Franchise, and your overall business and operational experience. If you enter into a Development Agreement, you must pay us a one- time development fee upon execution of your Development Agreement ("Development Fee"). Your Development Fee will depend on the number of Franchises we grant you the right to open within the Development Area, and is calculated as set forth in the table below:

Number of Franchises We Grant You the Right to Develop	Franchise Fee	Cumulative Development Fee
1	$55,900	$55,900
2	$50,900	$106,800
3	$45,900	$152,700
4	$40,900	$193,600
5	$35,900	$229,500
6	$30,900	$260,400

If we permit you to open more than six (6) Franchises under a Development Agreement, your Development Fee will be equal to (i) $260,400, plus (ii) $30,900 for each additional Franchise that we grant you the right to develop. You will be required to enter into our then current form of Franchise Agreement for each Franchise that you wish to open under your Development Agreement, but you will not be required to pay any additional initial franchise fee at the time you execute each of these franchise agreements. If you enter into a Development Agreement, you must execute our current form of franchise agreement for the initial Franchise we grant you the right to open within your Development Area, concurrently with the Development Agreement.

Opening Inventory Package

Upon signing the Franchise Agreement, you will also pay us $10,000 per Franchised Territory for your opening inventory and equipment, which is used in the initial start-up phase of your Franchise ("Opening Inventory Package"). The Opening Inventory Package includes the cost for our signature clothing trunk, a set of mannequins, a mixture of custom suits and clothing, and fabric, button, and lining sample books, and accessories you will utilize to promote and market your Franchise.

Clothier Inventory Package

We require you to purchase a Clothier Inventory Package for each clothier you hire. If you are an owner operator, you will not need to purchase this additional package unless or until you add a clothier to your team. If you are operating under a semi-absentee owner model and hire a clothier immediately, we require

you to purchase the Clothier Inventory Package for $2,700 per clothier. The Clothier Inventory Package contains our signature clothing trunk, and a set of fabric, button, and lining sample books. The estimated timeframe for recruiting is 7 to 21 days. This includes approximately one week to set up the job posting, conduct interviews, and make a hire, followed by up to two additional weeks for training and onboarding, depending on candidate availability.

On-Site Training

We do not currently charge an initial training fee, however, if we agree to train you at your location you will be responsible for paying our transportation costs, lodging, and any other costs reasonably related to our travel. The expenses related to On-Site Training will not exceed $5,000.

Uniforms

You must purchase uniforms from us. If hiring two clothiers, uniform costs will range between $2,000-$3,750. This estimate includes the costs associated with purchasing five suits from us (at cost) for each operator/clothier. The low estimate assumes you will be the sole operator/clothier of your Franchise. The high estimate is based upon you hiring two clothiers and purchasing five suits for each.

Initial Fees

The Franchise Fee and Development Fee as well as the fees for the Opening Inventory Package, Clothier Inventory Package, on-site training, and uniforms (collectively, "Initial Fees") will be deemed fully earned upon payment and are not refundable under any circumstances. Except as described above, the Initial Fees are uniform for all franchisees and must be paid in a lump sum upon execution of the Franchise Agreement.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	Calculated as the greater of: (i) Based on annual Gross Sales, calculated as follows: • 10% on annual Gross Sales from $0 to $199,999 • 9% on annual Gross Sales from $200,000 to $399,999 • 8% on annual Gross Sales from $400,000 to $599,999 • 7% on annual Gross Sales of $600,000 and above Or (i) (ii) $100 Minimum Royalty Payment per week	Weekly, on Wednesday for the previous week	See Notes 1-4 below If you operate in multiple Territories, the Minimum Royalty Payment is per Franchised Territory. On a weekly basis, we will calculate the Gross Sales, Net Sales, and Credit Card Sales (defined below) generated from the operation of your Franchise and pay you by EFT, ACH, direct deposit, or by similar means, the Net Sales generated from the operation of your Franchise during the previous calendar week minus the amount you owe Us or our affiliates for the Royalty Fee. You will be required to make Minimum Royalty Payments (defined in Item 12 below).

Type of Fee	Amount	Due Date	Remarks
	Minimum Royalty Fees rise to $150 per week per franchised territory in second year of operation, and $200 per week per franchised territory in year three of operation. For the fourth year and beyond, the Minimum Royalty Payment shall increase by 10% over the previous year's minimum.		
Brand Fund Fee	2% of Gross Sales We reserve the right to increase the Brand Fund Fee up to 3% of Gross Sales upon 30 days' notice to you.	Weekly, on Wednesday for the previous week	On a weekly basis, we will calculate the Gross Sales, Net Sales, and Credit Card Sales (defined below) generated from the operation of your Franchise and pay you by EFT, ACH, direct deposit, or by similar means, the Net Sales generated from the operation of your Franchise during the previous calendar week minus the amount you owe Us or our affiliates for the Brand Fund Fee.
National Account Fee	1% to 10%	As determined upon implementation	We may manage or provide support services to national and/or regional accounts that require centralized overview and support, and for purposes of responding to requests and referrals for services through the franchise system, managing those relationships, answering calls placed to the toll-free number or a national account on-line access system.
Market Cooperative Contribution	0% - 5% of Gross Sales	As determined upon implementation	Currently there is no cooperative, but we reserve the right to implement one in the future, implemented by Pearce Bespoke or the franchisees. See Note 5 below.
Local Marketing Expenses	Minimum 5% of your Gross Sales	Minimum amount must be spent during each calendar year.	See Note 6 below We reserve the right to increase to a maximum of 6% upon 30 days' written notice
Transfer Fee	25% of the then franchise fee per sale	Before completion of transfer	Subject to state law We will not charge Transfer Fee for transfers to immediate family.
Audit Expenses	Cost and expenses related to audit	As invoiced after inspection or audit	Payable only if understatement is greater than 2% of Gross Sales
Renewal Fee	10% of the then current franchise fee	30 days before renewal of Franchise Agreement	See Item 17(b). If you fail to timely meet any of the renewal conditions within the applicable timeframes, we

Type of Fee	Amount	Due Date	Remarks
			may choose, in our sole discretion and without any obligation to do so, to permit you to renew, but you will be required to pay a renewal administration charge of $500.
Technology Fee	The fee is currently $25 per week, but is subject to increases not to exceed 10% annually.	Due at the same time as Royalty Fees	See Note 8 We reserve the right to change the Technology Fee upon 60 days' notice to you. On a weekly basis, we will calculate the Gross Sales, Net Sales, and Credit Card Sales (defined below) generated from the operation of your Franchise and pay you by EFT, ACH, direct deposit, or by similar means, the Net Sales generated from the operation of your Franchise during the previous calendar week minus the amount you owe Us or our affiliates for the Technology Fee.
Point-Of-Sale (POS) System Subscription Fee	Currently $385. We reserve the right to increase the cost of the POS System Subscription Fee up to our actual costs.	Monthly	This is a pass-through expense. We manage the POS system from a central account which allows us to get the best pricing for Pearce Bespoke franchisees. On a monthly basis we will withhold this amount from one of your weekly payments.
Insurance	$1,000 - $2,000	Upon insurance company request	Payable to Pearce Bespoke if you fail to pay insurance premium and Pearce Bespoke pays it for you.
Interest Expenses	Lesser of: (i) 18% per year, or (ii) maximum rate allowed by law	When due	Payable if the Royalty Fee or any other amounts due are not paid within thirty (30) days after the due date.
Encroachment Fee	20% of all revenue generated from any client in any territory outside of your Franchised Territory, payable to us or the franchisee whose territory was encroached	As outlined in the Manuals. Currently, they are due 10 days after notice from us	Imposition of such fees are based upon the facts leading up to the alleged encroachment and the determination of whether to charge such fees will be at our sole discretion.
Recruiting	$1,200 for up to 5/month	When incurred	
New/updated fabric books	$500	When incurred	
Accounting Software Via QuickBooks	$50	Monthly	Payable to Pearce Bespoke Franchising LLC.
Website	$400	Monthly	Franchisee must use the approved vendor to manage their website/SEO/Google Ad words
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	Pearce Bespoke shall recover costs and reasonable attorneys' fees if Pearce Bespoke ultimately prevails

Type of Fee	Amount	Due Date	Remarks
			in a dispute.
Clothier Training	$450 for 2 days Corporate Hosted Boot Camp	When due	
Credit card processing fee	3% of total amount debited	When due	Fees will apply if we debit your credit card for royalty fees, brand funds fees, or certain other fees.
Replacement/ Additional Training Fee	$250 per person per day	Prior to attending training	You, your members, and one key employee (total of 4 maximum) shall be able to attend initial training at no additional training fee cost. For each additional member or employee, we will charge our then-current training fee. If you send a manager or other employee to our training program after you commence operations, we will also charge our then-current training fee.
Late Fee	$100	When due	We may charge a late fee if you fail to make a required payment when due. The late fee applies to all amounts not paid when due until paid in full. We may also require you to pay an administrative fee of $50 for each late payment or late report.
Franchise Owner Summit & Attendance Fee	$50 per month	Recurrent from March to December	Franchisee or a principal must attend each Summit (up to 1 per calendar year). If neither Franchisee nor principal attends Franchisee must pay to Franchisor an amount equal to the attendance fee for one attendee. Other additional costs (such as room, board, and travel) are the responsibility of the Franchisee.
Additional Training	$500 per session	Prior to training course	A reasonable training fee of $500 will be charged for refresher programs and training of your subsequent franchise management staff. You will be responsible for all costs including transportation, lodging, meals, and wages, if applicable.
Annual Certification Training	$199 per session	Yearly	All active clothiers will be required to attend our annual certification training (the "Annual Certification Training"), which may be held online or in person at a location that we designate. We anticipate the cost of recertification will be approximately $199 and will be held monthly.
Approval of Supplier Fee	$500 plus cost of examination and approval of a supplier requested by Franchisee.	Prior to examination	You will purchase only such types, models or brands of items, furniture, equipment, signs, and supplies that We approve for Pearce Bespoke as meeting its specifications and standards, including specifications and standards for quality, design, warranties, appearance, function, and performance.

Type of Fee	Amount	Due Date	Remarks
Operational Standards Violation Fee	$250 to $1,000 per occurrence	As incurred	Payable to us.
Liquidated Damages – Default and Termination of Franchise	**the greater of $50,000 or up** to 24 months of **rolling 12-month average of** Royalty Fees and Brand Fund Contributions	Upon termination of the Franchise Agreement due to your default, in a lump sum	If your Franchise Agreement is terminated due to your default, you must pay us the average monthly Royalty Fee and Brand Fund Contribution payable by you for the 12 months prior to your default multiplied by the lesser of 24 months or the number of months remaining in the term of your Franchise Agreement.
Liquidated Damages – Violation of Confidentiality or Non-Competition Covenants	$100,000, plus our attorneys' fees	Per Occurrence	Payable to us if you violate the confidentiality and/or non-competition covenants in the Franchise Agreement

Notes:

1. Except where otherwise noted, all fees are payable to Pearce Bespoke, are uniformly imposed, and are non-refundable. Pearce Bespoke requires you to allow us to withdraw royalty fees, brand fund fees, and other fees directly from your bank account. All new franchisees are required to pay the percentage rate, or the flat fee stated in this Disclosure Document.

2. "Gross Sales" means the total revenues you receive from the sale of goods and services, whether by cash or by check, credit card, or trade, in connection with the Franchise, less customer refunds and returns and sales or similar taxes. Gross Sales includes any sales permitted through the internet.

3. "Net Sales" means Gross Sales minus: (i) the amount of any documented refunds, chargebacks provided to customers or retailers in good faith; and (ii) Licensor designated or approved discounts, promotions, or credits.

4. "Credit Card Sales" means all revenue transacted from or during the operation of your Business including, but not limited to, service fees, product sales, business interruption insurance, and all amounts that you receive at or away from the Site, whether from cash, check, EFT, ACH, wire transfer, credit and debit card, barter, exchange, trade credit, loyalty program points, gift card redemptions, or other credit transactions.

5. Pearce Bespoke or local Pearce Bespoke franchisees may establish an advertising cooperative in your area. The local advertising cooperative will establish the amount of cooperative advertising fees. If a company-owned Franchise is a member of your cooperative, it will have voting power equal to that of franchised stores. Company-owned stores will not have controlling power in any local cooperative.

6. To the extent your annual contributions to cooperative advertising programs are less than 5% of the Gross Sales for your Franchise, you must conduct additional advertising and marketing activities in your local geographic area. Your local advertising activities, however, will not eliminate your obligations to contribute to cooperative advertising programs. If you do not spend at least 5% of Gross Sales for the calendar year for cooperative or local advertising, we may require that you pay Pearce Bespoke the difference between what you should have spent and what you actually spent on advertising initiatives in your market for the previous calendar year, at Pearce Bespoke's sole discretion. Pearce Bespoke recommends that you spend $12,000 - $15,000 on advertising and marketing during the first year.

7. This fee is payable when the Franchise Agreement or a substantial portion of the assets of the Franchise or any controlling interest in the Franchise Agreement or the assets of the Franchise are transferred.

8. You must pay us, or a third party that we designate, a technology fee for various technology services that we will provide or arrange for third parties to provide to you, which services are subject to change over time (the "Technology Fee"). Currently, the Technology Fee is a pass-through cost for the technology services we provide for you from the date that you open your Business for business and will be collected in the same manner as the Royalty Fee and Brand Fund Fee. We reserve the right to implement a non-pass-through Technology Fee for technology and website development services we will provide. We reserve the right to increase the Technology Fee by providing you with written notice of any change at least thirty (30) days prior to the implementation of the new fee amount. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. In addition to the monthly Technology Fee, you will be responsible for any "per transaction" fee charged by third-party vendors for mobile application or online bookings, if any. The maximum increase for the Technology Fee is 10% annually.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Your Estimated Initial Investment for a Single Franchised Territory Franchise

TYPE OF EXPENDITURES[1]	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW ESTIMATE	HIGH ESTIMATE			
Initial Franchise Fee[2]	$55,900	$55,900	Lump sum	When you sign the Franchise Agreement	Pearce Bespoke
Travel and Living Expenses For Training[3]	$199	$2,500	As arranged	As incurred	Lodging, Transportation, and Meals
On-Site Training[4]	$0	$5,000	As arranged	As incurred	Lodging, Transportation, and Meals
Rent (3 months)[5]	$0	$1,500	As arranged	According to lease	Lessor/Landlord
Opening Inventory & Equipment Package[6]	$10,000	$10,000	Lump Sum	Before opening	Pearce Bespoke
Clothier Recruiting Services[7]	$0	$6,000	Lump Sum	Before opening	Third-party suppliers
Clothier Inventory Package[8]	$0	$5,400	Lump Sum	Before opening	Pearce Bespoke
Uniforms[9]	$2,000	$3,750	As arranged	As incurred	Pearce Bespoke
Advertising & Marketing Introduction Program[10]	$1,000	$5,000	As arranged	As incurred	Third-party suppliers
Technology Fee (3 months)[11]	$300	$300	As arranged	As incurred	Pearce Bespoke
POS System Subscription Fee (3 months)[12]	$1,155	$1,155	As arranged	As incurred	Pearce Bespoke

TYPE OF EXPENDITURES[1]	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW ESTIMATE	HIGH ESTIMATE			
Computer Equipment[13]	$0	$2,500	Lump sum	Before opening	Third-party suppliers
Supplies[14]	$350	$1,000	As arranged	Before training	Third-party suppliers
Insurance[15]	$1,000	$2,000	As arranged	Before training	Third-party supplier
Licenses and Permits[16]	$100	$500	As arranged	As incurred	Government Agencies
Professional Fees[17]	$0	$5,000	As arranged	Before opening	Third-party suppliers
Vehicle Lease[18]	$0	$1,500	As incurred	Before opening	Third-party suppliers
Additional Funds – 3 Months[19]	$0	$20,000	As incurred	As incurred	Employees or third-party suppliers
TOTAL	**$72,004**	**$129,005**			

Notes:

1. Except where otherwise noted, all fees that you pay to Pearce Bespoke are nonrefundable. Refund related questions related to third-party lessors, contractors, suppliers, and vendors will be governed by the terms of each of those respective contracts. All amounts are in USD.

2. Initial Franchise Fee. The initial Franchisee Fee for a Pearce Bespoke Franchise is $55,900, for a Franchised Territory with a population of between 50,000 to 200,000 people approximately. The initial Franchise Fee is non-refundable and is deemed earned upon receipt.

3. Travel and Living Expenses For Training. This amount includes lodging, meals, and travel expenses for two persons attending the initial training program during the initial training program (see Item 11).

4. On-Site Training. Prior to opening your Franchise, you must successfully complete the required training programs. The low estimate assumes you will travel to our Training Facility in Baton Rouge, Louisiana. The high estimate is based on a request that we conduct training at your location, in which case you will be responsible for our expenses associated with travel, lodging, and other reasonable costs that we incur.

5. Rent (if applicable). You are not required to acquire or lease a dedicated facility to be used solely for your Franchise. However, we anticipate that some franchisees will lease or rent an office or a shared workplace at some point in the operation of their Franchise. The low end of the estimate contemplates working from a home office. The high end of rent estimate contemplates three month's rents based on our knowledge of rent expenses in Baton Rouge, Louisiana for class B or C office space. Rent expense for a facility from which to operate your Franchise will vary, based on location, square footage, age of the property, condition of the structure, lease arrangements, and other such factors, including whether you rent from a shared workspace or co-working space and your credit worthiness. Shared work spaces and co-working places are typically located in multi-story office buildings in commercial areas.

6. Opening Inventory & Equipment Package. Upon signing the Franchise Agreement, you will also pay to us $10,000 for your opening inventory and equipment, which is used in the initial start- up phase of

your Franchise ("Opening Inventory Package"). The Opening Inventory Package includes the cost of our signature clothing trunk, additional transportation luggage, a mixture of men and women's custom suits and clothing, and a variety of accessories that you will utilize to promote and market your Franchise.

7. Clothier Recruiting Package. The low estimate assumes that use our approved vendor to assist in recruiting potential clothiers to operate your Franchise. The high estimate includes all the cost associated with such services. The estimated timeframe for recruiting is 7 to 21 days. This includes approximately one week to set up the job posting, conduct interviews, and make a hire, followed by up to two additional weeks for training and onboarding, depending on candidate availability.

8. Clothier Inventory Package. This fee estimates the costs associated with purchasing your opening inventory and sample products, including men's and women's apparel (such as jeans, polos, shirts, and sport jackets), as well as additional samples for add-on offerings. The low estimate assumes you are the sole operator/clothier. The high estimate assumes you hire two clothiers and must purchase an inventory package for each.

9. Uniforms. This estimate includes the costs associated with purchasing five suits from us (at cost) for each operator/clothier. An initial amount of $2,000 is collected and held in escrow for the purchase of uniforms. The low estimate assumes you will be the sole operator/clothier of your Franchise. The high estimate is based upon you hiring two clothiers and purchasing five suits for each.

10. Advertising & Marketing Introduction Program. This amount includes your pre-opening marketing, post-opening marketing, and local advertising expenses for the first 90 days of operation of your Franchise.

11. Technology Fee. You will pay us a weekly technology fee of $25 (four times per month, for a total of $100 per month).

12. Point-Of-Sale System, Software, and Computer Hardware. You must use the POS System and Software (both defined in Item 11), and computer hardware which Pearce Bespoke has selected for the Business System in the operation of your Franchise. This may require you to obtain a license for the POS System and Software from Pearce Bespoke or a third-party Approved Supplier (See Item 11 for more detailed information).

13. Computer System. You must have an iPad, phone, and printer to operate your Franchise. The low estimate assumes you already own all the specified devices. The high estimate assumes you do not own any of the devices and will purchase need to purchase them.

14. Supplies. Your investment in supplies and inventory necessary to operate the Franchise is highly variable. Your exact investment depends on several factors, including but not limited to your sales volume, relevant inventory levels, transportation costs, financing costs, and similar factors beyond Pearce Bespoke's control. The cost of supplies will increase as your client base and staff grow.

15. Insurance. You must purchase and maintain insurance in the types and amounts described in the Franchise Agreement or Manual. This estimate covers three months' premiums for workers' compensation and commercial liability insurance. Your cost of insurance may vary depending on the insurer, the location of your Franchise, your claims history, and other factors. You must provide certificates of insurance evidencing coverage to us on an ongoing basis.

16. Licenses or Permits. This amount contemplates the costs of obtaining a business license or permit to begin operations. This estimate is based on our experiences with business licenses and may vary depending on state and local requirements.

17. Professional Fees. This estimates the costs of professional advisors (like an attorney and an accountant) for the initial review and advice consistent with the start-up of a franchised business.

18. Vehicle Lease. You are not required to purchase or lease a vehicle to operate your Business, provided your vehicle is in good working condition and no more than five (5) years old. The low-end amount assumes you have a vehicle that is paid off and in good working condition, whereas the high-end amount reflects the cost of purchasing or leasing a vehicle. Franchisees who choose to finance their vehicle through traditional financing sources, including banks, or other private financing companies can lower their initial vehicle investment requirement. You can choose the type of vehicle to purchase or lease, but we have used a Toyota Corolla price reference for purposes of this section. The total estimated cost to purchase the vehicle ranges between $21,000 - $30,000. Should you choose to finance your vehicle, our estimates are based on a 20% deposit on the final purchase invoice with the remainder financed over a 60-month term at an interest rate of 3%. The high side of our estimate is based upon three months of payments. Your deposit, term, and interest may vary. Additionally, the vehicle must be box wrapped with Pearce Bespoke approved marks and logos, as described in the Manuals.

19. Additional Funds (3 Months). This category estimates your pre-operational expenses that are not listed in other categories, as well as any additional funds necessary for the first three (3) months of operational expenses for your Franchise, including but not limited, to employee wages, salaries, payroll taxes, health and workers' compensation, benefits, and staff recruiting expenditures (including payroll to cover the grand opening promotional period and pre-opening training period for your staff); additional legal and accounting fees, additional business operational fees, insurance, bank charges, additional supplies and equipment, state tax and license fees, deposits, prepaid expenses, and other miscellaneous expenditures. We relied upon the experience of our affiliate-owned Pearce Bespoke outlets to compile these estimates.

20. Total. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Franchise and for a period of three months thereafter. They do not provide for your cash needs to cover any financing incurred by you or for other expenses not previously discussed above. You should not plan to draw income from the operation during the start-up and development stages of your Franchise. None of the estimated expenditures listed in the table are refundable, except (i) utility deposits are usually refundable, and (ii) lease security deposits may be refundable. We do not offer, directly or indirectly, financing for any of the above expenditures. See Item 10. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness, other security that you may have, and policies of lending institutions concerning the type of business being operated by you.

Estimated Initial Investment – Multiple Businesses Under Development Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is Made
Development Fee (1)	$106,800 (2 Territories)	Lump sum	When sign Development Agreement	Us
Estimated Initial Investment for First Franchised Business (2)	$16,104 - $73,105	As incurred	As incurred	Us and third parties
TOTAL	**$122,904 - $179,905**			

Notes:

In general, none of the expenses listed in the above chart are refundable.

1. Please see Item 5 for information on the Development Fee.

2. These are the estimates for development of your first Franchised Business. Costs associated with additional territories are subject to factors that we cannot estimate or control, such as inflation, increased

labor costs or increased materials costs.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchise in accordance with our Business System. The Business System's standards and specifications relating to the establishment, operation, and regulation of your Franchise, include but are not limited to, goods, services, supplies, items, equipment, inventory, and real estate fixtures; computer hardware, software, search engine optimization services, client survey services; marketing materials, advertising and sales collateral, use of signs, letterhead, business cards, and other promotional materials; credit card processing services; insurance providers; vehicle manufacturers (including make and model); and all clothing manufacturers and distributers used in operating your Franchise.

Pearce Bespoke has negotiated or will negotiate programs with several manufacturers and suppliers so that franchisees may benefit from volume purchasing and prepaid freight programs. Third party vendors may charge franchisees directly for products or services. The Business System's standards and specifications are based upon our experience with various vendors, contractors, and suppliers in the custom clothing and franchising industries and we will provide you with a list of our approved suppliers ("Approved Suppliers"). Pearce Bespoke retains the sole and absolute discretion to make the final determination on all Approved Suppliers; however, we will consider supplier approval requests from franchisees upon written request. Our criteria for approving items and suppliers are not available to you. We will approve or disapprove a supplier within 30 days after we receive written notice from you as well as any samples of the product or service or such other information as we require. Along with your written request that we approve a proposed item or supplier, you must pay an evaluation fee of $500, plus our costs for examination and testing. All suppliers you use must be approved by us before you can use them and may be subject to our training and reporting requirements. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards.

We and our affiliates are currently the only approved suppliers for corporate purchases. This applies to men's and women's suits, sportscoats, trousers, overcoats, raincoats, dress shirts, polos, chinos, denim, and fabric books, button books, and lining books.

Pearce Bespoke is an Approved Supplier for certain items which you are contractually obligated to purchase in the operation of your Franchise, specifically the Opening Inventory Package, Clothier Inventory Package, and uniforms. Our CEO, Nathan Pearce has an ownership interest in us. No other officers own any interest in any approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchise. Pearce Bespoke, its officers and/or persons affiliated with us, may now or in the future own an interest in Pearce Bespoke and be Approved Suppliers of certain items of the Business System.

Approved Supplier items include, but shall not limited to, recruiting services, computer hardware, software, collaboration and communication services, telephone, information management system, credit/debit card processing, criminal history background checks, email marketing, online accounting, virtual phone systems and client online surveys. You must license the POS/CRM software and purchase the computer hardware components for the POS System (the "POS System") either from us or a third-party vendor which may be modified from time to time in the Manuals. In the last fiscal year ending on December 31, 2025, we had total revenues of $1,190,697 of which $427,280, or 40%, was derived in revenue from required franchisee purchases or leases. Our affiliates have not received any other rebates, discounts or other material consideration from any other suppliers based on your required purchases of products, supplies or equipment.

To ensure a uniform image and quality of products and services throughout the Pearce Bespoke Business System, you must maintain the standards and specifications in accordance with the Manuals. You must comply with Pearce Bespoke's then-current approved standards and specifications in the Manuals in operating and equipping your Franchise. You must use equipment (including hardware and certain software programs for the POS System), signs, items, furnishings, products, supplies, and advertising and sales

promotion materials which meet the standards and specifications of Pearce Bespoke's Business System. In addition, you may sell from your Franchise only those categories of products and services that Pearce Bespoke approves. Pearce Bespoke periodically publishes for franchisees a list approved product categories for use in a Franchise. Pearce Bespoke may periodically update and alter these categories of products and services you may sell from your Franchise. Pearce Bespoke's Manuals currently establish standards and specifications for men's and women's clothing and other items sold in your Franchise. Franchisee will have the right to advertise and sell its products at whatever prices Franchisee determines.

You must purchase and maintain, at your expense, comprehensive general liability insurance in an amount Pearce Bespoke will designate periodically, but at least $1,000,000 per occurrence and $2,000,000 in the aggregate. This insurance must insure Pearce Bespoke, you and any other person Pearce Bespoke designates from liability for all damage or injury. You must also purchase business interruption insurance, business personal property insurance, money, and securities insurance, and building insurance (if applicable). In addition, you must maintain any other insurance as may be required under law.

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with Business System's standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases, purchases from Approved Suppliers and purchases that must meet our specifications in total will be about 65% - 80% of your total purchases to establish the Franchise and about 65% - 80% of your purchases to continue the operation of your Franchise.

Pearce Bespoke may provide certain administrative, technical, design, and advisory services and data to a limited number of Approved Suppliers and other suppliers. We and/or our affiliates may negotiate supply contracts with our Approved Suppliers or other suppliers under which we are able to purchase products, equipment, supplies, services, and other items at a price that will benefit us and our franchisees. We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other franchises in the Business System, such as barters, cash, credit (regardless of collection), rebates, allowances, commissions, or any other forms of compensation. We may use any amounts that we receive from Approved Suppliers and other suppliers for any purpose that we deem appropriate as a result of any and all transactions with franchisees.

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 Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Franchise Agreement (FA) Sections 7(A) and 8(O) Area Development Agreement (DA) Section 4	Item 11
b. Pre-opening purchases/leases	FA Sections 6(D) and 8(D), (O) and (P)	Items 5, 7, and 8
c. Site development and other pre-opening requirements	FA Section 8(B) DA Section 4.	Items 6, 7, and 11
d. Initial and ongoing training	F2A Sections 7(D) and 8(L)	Items 6, 7 and 11
e. Opening	FA Section 15(A)(1) DA Section 3.1, Section 4	Item 11
f. Fees	FA Sections 2(B)(4), 4, 5, 6, 8(P), 8(Q) and 14(C)(6) DA Section 2	Items 5, 6, 7, and 11

Obligation	Section in Agreement	Disclosure Document Item
g. Compliance with standards and policies/ Manual	FA Sections 8I, (I) and (N)	Items 11 and 16
h. Trademarks and proprietary information	FA Sections 3 and 9 DA Section 8	Items 13 and 14
i. Restrictions on products/ services offered	FA Sections 1 and 8(D) and (P)	Items 8, 11, and 16
j. Warranty and customer service requirements	FA Section 8(D)	Item 11
k. Territorial development and sales quotas	FA Section 1(B) DA Sections 3 and 4	Item 12
l. Ongoing product/service purchases	FA Section 8(D)	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	FA Sections 2(B)(3) and 8(B) and I	Item 11
n. Insurance	FA Section 10	Items 6 and 8
o. Advertising	FA Section 6	Items 6, 7, 8, and 11
p. Indemnification	FA Section 11 DA Section 8	Item 6
q. Owner's participation/ management/staffing	FA Sections 7(D) and 8(A) and (J)	Items 11 and 15
r. Records/reports	FA Sections 12(A) and (B)	Item 16
s. Inspections/audits	FA Section 12I	Items 6 and 11
t. Transfer	FA Sections 13 and 14 DA Section 7	Item 17
u. Renewal	FA Section 2(B)	Item 17
v. Post-termination obligations	FA Section 17 DA Section 8	Item 17
w. Non-competition covenants	FA Section 18 DA Section 8	Item 17

ITEM 10
FINANCING

Pearce Bespoke does not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

Except as listed below, Pearce Bespoke is not required to provide you with any assistance.

Pre-Opening Assistance. Before you open your Franchise, Pearce Bespoke will:

1) Provide assistance in your evaluation of the Franchise and leasing issues related to the Franchise and vehicle, if any, in accordance with the standards and specifications of the Business System (Franchise Agreement – Section 7(A))**.**

2) Provide you with a list of the standard equipment, supplies, signs, and initial custom inventory of the Franchise (Franchise Agreement – Section 7I).

3) Provide the mandatory training program described below (Franchise Agreement – Section 7(D)).

4) Provide you with electronic copies of the Manuals. You must keep the Manuals confidential and return them when the Franchise Agreement terminates (Franchise Agreement – Section 7(F)).

5) Assist you in developing a business plan template for your Franchise (Franchise Agreement – Section 7(G)).

6) Designate the boundaries of your Franchised Territory. We will determine the boundaries of your Franchised Territory prior to signing the Franchise Agreement. We consider population density and average household income. You may operate from a co-working space or other shared workspace, in your discretion. You are not required to submit a co-working space or other shared workspace for our approval. If you are a Developer, we will determine the boundaries of the Franchised Territory for each mobile unit under the Development Schedule at the time the Franchise Agreement for the mobile unit is signed, which determination will be based on our then-current standards. (Franchise Agreement -Section 1(B)).

Site Selection. The franchisee selects and proposes the site for franchised operations. The franchisor reviews the images and details submitted for approval. Because our business operates primarily through short-term coworking spaces, the franchisor's approval process is generally flexible.

Factors considered in approving sites include affordability and month-to-month rental terms.

There is no specific time limit for approving or locating a site. If the franchisor and franchisee cannot agree on a location, this does not prevent the franchise from operating, as sites are not mandatory due to the nature of the mobile tailoring model utilizing coworking spaces.

7) You will have the right to advertise and sell products at the prices you determine (Franchise Agreement- Section 6(F)).

Ongoing Assistance. During the operation of your Franchise, Pearce Bespoke will:

1) Provide consultation as needed to conduct periodic evaluations of your Franchise and provide to you feedback to assist you in the operation of your Franchise (Franchise Agreement – Section 7(H)).

2) Periodically make available all changes to the Business System via the Manuals electronically (Franchise Agreement – Section 7(H)).

3) Periodically furnish you with updated and revised material for the Manuals electronically (Franchise Agreement – Section 7(H)).

4) Develop advertising and marketing materials to assist in promoting your Franchise (Franchise Agreement – Section 7(H)).

Marketing Programs

Pearce Bespoke establishes and conducts various marketing programs as follows:

Brand Fund

We may use contributions to the Brand Fund Fee to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities and advertising agencies; the cost of developing and maintaining an internet website and social media pages; and personnel and other departmental costs for advertising that we internally administer or prepare. Pearce Bespoke may contract with outside marketing agencies and production companies to produce certain

advertising, marketing, and promotional materials. The Brand Fund may be on a local, regional, or national level and may at our discretion utilize national or regional marketing agencies.

You must pay us a Brand Fund Fee of 2% of Gross Sales per week, which we may increase up to a maximum of 3% of Gross Sales per week. Pearce Bespoke administers the use of Brand Fund Fees collected from franchisees. Not all Pearce Bespoke franchisees will benefit directly or on a pro-rata basis from the Brand Fund's expenditures. We may contribute to the Brand Fund in our sole discretion and be reimbursed later by the Brand Fund. Pearce Bespoke does not prepare a financial statement as to the collection and use of Brand Fund Fees, nor are the Brand Fund Fees audited. Pearce Bespoke will, however, provide you (at your request) an accounting of the most recently completed fiscal year. Pearce Bespoke is not obligated to spend any amount of the Brand Fund Fee on advertising in the area or territory where you are located. Pearce Bespoke will carry over for future use Brand Fund Fees not spent in any fiscal year. While we do not anticipate that any part of the Brand Fund will be used for advertising or public relations that are principally a solicitation for the sale of additional franchises, we reserve the right to do so in the future and to include a notation in any advertisement indicating that franchises are available.

You may develop advertising and marketing materials for your own use, at your own cost, if you follow the Business System standards and specifications, as outlined in the Manuals. Business System guidelines and your materials must be factually correct, accurately depict the Marks, and communicate the Pearce Bespoke™ brand position and character that Pearce Bespoke has established for Franchises. If you develop advertising or marketing materials, you must provide a copy of the materials to Pearce Bespoke for our review and approval (in writing) before you use the advertising or marketing materials. If you desire to advertise or market on the internet, you must obtain written authorization from Pearce Bespoke. You must use approved vendors Franchisor for broadcast media placement and online advertising for your pre-opening and first year marketing activities.

In the 2025 fiscal year, Pearce Bespoke collected $18,500.72 in Brand Fund Payments. We did not have any expenditures from the Brand Fund during the 2025 Fiscal Year. No money from the Brand Fund was spent on the solicitation of new franchise sales.

Franchise Advisory Council

While Pearce Bespoke does not currently have a Franchisee Advisory Council ("FAC"), we reserve the right to formulate one in the future. Pearce Bespoke appoints franchisees to serve as members of the FAC. All FAC members must be in good standing and remain in good standing during their term. All members serve on the FAC for a term determined by Pearce Bespoke. The FAC serves in an advisory capacity to, among other objectives, provide advice on advertising, research, and promotional activities to Pearce Bespoke and its outside advertising agencies. Pearce Bespoke has the power to form, change or dissolve the FAC.

Local Marketing Cooperative

You also must participate in a local marketing cooperative ("Cooperative") if established in the designated market area ("DMA") where two (2) or more unaffiliated franchisees are located, including where you operate your Franchise. You must contribute 5% of the Gross Sales for your Franchise to the Cooperative ("Market Cooperative Contribution"); however, we reserve the right to increase your Market Cooperative Contribution up to 6% of Gross Sales upon 30 days' written notice to you.

Each Cooperative must adopt written bylaws, which follow the format Pearce Bespoke has approved. You may request a copy of the bylaws of the Cooperative (if one has been established) for your DMA from the Cooperative president or Pearce Bespoke. Each Cooperative must follow voting procedures that are consistent with the general operating rules Pearce Bespoke has established. The members of the Cooperative and their elected officials will administer the Cooperative in your area. Pearce Bespoke strongly recommends that Cooperatives prepare annual financial statements and make those financial statements available to all franchisees in that Cooperative. Pearce Bespoke has the power to establish

Cooperatives and the bylaws, policies, and rules under which the Cooperatives will operate.

Local Marketing

To the extent your annual contributions to a Cooperative are less than the required Market Cooperative Contribution for your Franchise, or if you cannot participate in a Cooperative because such a program has not been established in your DMA, you will then be obligated to conduct advertising and marketing activities in your local geographic area; provided that your local marketing activities will not reduce, eliminate, or otherwise impact your obligations to the Cooperative. Your local marketing expenditures will include advertising, merchandising, sales promotion, and other forms of marketing at the local level.

Within thirty (30) days following the end of each calendar quarter, you will provide us with an accounting of the monies that you spent for approved regional cooperative advertising and local marketing for the preceding calendar quarter. If you have failed to spend the minimum required Market Cooperative Contribution for the calendar quarter for approved regional cooperative advertising or local marketing, you may be required to deposit with us the difference between what you should have spent for advertising and marketing during the calendar quarter and what you actually spent for advertising and marketing during the calendar quarter. We will spend such amount for any type of advertising or marketing that we deem appropriate for your business, although we will use reasonable efforts to spend such amounts in your local geographic area.

Computer System

Point-of-Sale System

You must install a computerized POS System ("POS System") purchased through Pearce Bespoke or a third-party Approved Supplier that we approve. There is an ongoing fee associated with the use of our POS System, once per month we will withhold the amount due to operate the POS System from one of your weekly payments. This POS system is periodically modified in response to business operations, marketing conditions, and changes in technology. POS System collects and holds various types of data essential for retail and business operations. As of the date we issued this Disclosure Document, the POS System includes the following minimum components:

Computer Software and Hardware

You must purchase and use all computer software programs ("Software"), which we have developed or may develop and/or designate for use for the Business System through Approved Suppliers and you must also purchase such computer hardware as may be necessary for the efficient operation of the Software. We have the right to require you to update or upgrade computer hardware components and/or Software as we deem necessary from time to time. In addition, we have the right to require you to enter into a separate maintenance agreement for such computer hardware and/or Software. Although you must buy, use, and maintain computer hardware and Software meeting our standards and specifications, you will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance, and upgrading of the computer hardware and Software; and (ii) all consequences that may arise if the computer hardware and Software is not properly operated, maintained, or upgraded.

You must purchase and maintain at least (a) one iPad, (b) one cell phone, and (c) one all-in-one printer. We use cloud-based software for the POS System, email marketing, and all customer management functions. These systems may generate data for your Franchise such as sales data, customer information, employee and labor information, inventory, and financial reports. Your computer system must be PCI and PII compliant and any data or information you obtain must be secure.

You are required to participate in any area computer network, intranet system, or extranet system that we implement for the Business System, and you may be required by us to use such area computer network, intranet system or extranet system to, among other things: (i) submit your reports due under the Franchise

Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising and promotions materials; (iv) communicate with us and other franchisees; and (v) participate in online training. You must agree to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Manuals, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory, or defamatory statements.

We estimate in Item 7 above that the cost of obtaining the POS System, software, and computer hardware to be approximately $0 - $2,500 per year. The subscription fee for the POS System is approximately $385 per month. We further estimate that the annual costs of any required maintenance, updating, or support contracts will be approximately $0 - $500 per year. We further estimate that the annual costs of any optional maintenance, updating, or support contracts will be approximately $0-$500 per year. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. You must maintain franchised email accounts, which will be provided to you, and you must give us electronic access to information on your company computer and hosted by us or Approved Suppliers. No contractual limitation exists on our right to access the information. We may require you to upgrade or update your POS System, Software, computer hardware, and other office equipment. No contractual limitation exists on the frequency or cost of this obligation. We will have independent access to any data which you collect electronically.

There are currently no annual costs for any optional or required maintenance update, upgrading or support contracts. Pearce Bespoke reserves the right, however, to charge a reasonable fee for any ongoing maintenance and repairs, upgrades, and support services, including the costs for the POS System, Software, and hardware components. There are no contractual limitations on the frequency and cost of this requirement. Technology is constantly changing. Pearce Bespoke may require you to update your POS System, Software, or computer hardware every five (5) years or as needed, depending on changes in technology, the Business System, and Pearce Bespoke's current standards and specifications as defined in the Manuals. Pearce Bespoke cannot provide an estimate of the annual costs of any optional or required maintenance and support contracts since Pearce Bespoke has not required its franchisees to use their POS system or Software, that may be in development or that they may develop in the future, as of our last fiscal year end.

Pearce Bespoke, or a third-party vendor that Pearce Bespoke selects, will provide you with the POS System components. Pearce Bespoke currently has independent access to certain operational and financial information and data produced by your POS System and Software. There are no contractual limitations on Pearce Bespoke's right to access the information and data.

You must pay us a Technology Fee in the amount of $25 per week. The Technology Fee is a pass-through cost for the technology services we provide or arrange for third parties to provide. We reserve the right to increase the amount of the Technology Fee up to 10% annually.

Development Time

The typical length of time between Pearce Bespoke's acceptance of the Franchise Agreement and the opening of your Franchise varies from one (1) to three (3) months. Once the Franchise Agreement is executed, by its terms you will have up to three (3) months to open your Franchise. The factors that may affect the Franchise opening process may include supply chain delays, sign, equipment and inventory acquisition, lease negotiations, and financing or staffing issues. You will be in default of your Franchise Agreement if you fail to open your Franchise within the 3-month period.

Training

You (if the franchisee is an individual) or your operating principal (if the franchisee is a business entity) and your manager (if applicable) must complete our initial training program, to our satisfaction, before opening your Franchised Business. We will train you online and/or at our location in Baton Rouge,

Louisiana, or, if we permit, at your location. If we agree to train you at your location, you will be responsible for all costs associated with our travel, lodging, and other reasonably related expenses.

Trainees must satisfactorily complete the initial training program at least one week prior to the opening of the Franchised Business

TRAINING PROGRAM

First Session (New Franchisee Orientation Training)

Subject	Hours of Classroom Training	Hours of "Hands-On" Training	Location
Business Planning	1	4	Online
Marketing	2	0	Online
Legal Structure & Financing	2	0	Online
Franchise Development & Trade Look Standards	3	0	Online
Accounting & Bookkeeping	2	0	Online
Introduction to Advertising & Local Marketing	4	1	Online
Service Vendor Overview	3	0	Online
Technology	1	1	Online
Measuring & Ordering	3	0	Online
Introduction to Buying Custom Products	2	0	Online
Style & Trend Training	1	3	Online
TOTALS	**24**	**9**	

Second Session (Concept Training)

Subject	Hours of Classroom Training	Hours of "Hands- On" Training	Location
Franchise Operations	2	0	Baton Rouge, LA and/or Online
Marketing & Social Media	2	2	Baton Rouge, LA and/or Online
Computer Training	1	2	Baton Rouge, LA and/or Online
Tailor Certification	2	2	Baton Rouge, LA and/or Online
Employee Management	1	0	Baton Rouge, LA and/or Online

Loss Prevention	.5	0	Baton Rouge, LA and/or Online
Customer Service	1	0	Baton Rouge, LA and/or Online
Financial Management	2	0	Baton Rouge, LA and/or Online
Business Plan Updates	1	0	Baton Rouge, LA and/or Online
Inventory Management	.5	0	Baton Rouge, LA and/or Online
Visual Merchandising	1	0	Baton Rouge, LA and/or Online
Product Knowledge	2	2	Baton Rouge, LA and/or Online
TOTALS	**16**	**8**	

Our initial training program is managed by Nathan Pearce, whose biographical information is in Item 2. We reserve the right to use other individuals as trainers, all of whom shall have at least 6 months of experience relevant to the subject being taught. We conduct our initial training program on a monthly basis as needed.

Our training materials consist of Pearce Bespoke Manuals, the electronic POS System guide and guide to CRM reports, training manual, visual merchandising manual, daily operations tools, lectures, classroom discussion, hands-on demonstration, role-play training, and practice training in the training facility.

Pearce Bespoke does not charge an additional fee for the initial training program. You are, however, responsible for travel and living expenses that you and your representatives (if any) incur while attending the initial training program. See Item 7 for additional information on those expenses. If Franchisee requests, Franchisor may at its sole discretion provide training at Franchisee's location, and Franchisee will be responsible for reimbursing Franchisor for the transportation costs, lodging costs, and other costs reasonably related to training at Franchisee's location, up to $5,000.

If you do not complete our Initial Management Training Program to our satisfaction, we reserve the right to terminate the franchise agreement.

All active clothiers will be required to attend our Annual Certification Training, which may be held online or in person at a location that we designate. We anticipate the cost of recertification will be approximately $199 will be held on a monthly basis.

Operations Manual

Pearce Bespoke provides you with an electronic copy of its confidential Pearce Bespoke Manuals. The Manuals are subject to change and will be updated electronically, as necessary, through Pearce Bespoke's intranet. The table of contents for our current Manuals, as of the issuance of this Disclosure Document, is found in Exhibit D. The current table of contents has an equivalent of 49 total pages.

ITEM 12
TERRITORY

You will receive a "Franchised Territory" surrounding the location of the Franchise when granted a Pearce Bespoke franchise. Pearce Bespoke utilizes computer modeled mapping which factors in population density and average household income. The Franchised Territory for Franchises located in urban areas (metropolitan areas with a population in excess of 200,000 persons) generally will have a population of between 50,000 to 200,000 people.

You must operate the Franchise only within the Franchised Territory and you may not relocate the Franchise without obtaining our prior written consent.

Pearce Bespoke will not establish another franchised or company-owned Pearce Bespoke Franchise in your Franchised Territory. Pearce Bespoke has established a Pearce Bespoke e-commerce site on the internet. Although Pearce Bespoke does not do so as of the issuance date of this Disclosure Document, Pearce Bespoke reserves the right to distribute products through alternative channels of distribution, including the internet (or any other existing or future form of electronic commerce), using the Marks inside or outside of the Franchised Territory. Pearce Bespoke also reserves the right to distribute products through alternative channels of distribution or establish franchised or company-owned businesses selling similar products or services under a trademark different from the Marks inside or outside of the Franchised Territory.

Neither we nor our affiliates operate, nor do we or our affiliates plan to operate or franchise businesses under a different trademark that will sell goods or services that are the same or similar to those that you will sell.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. If we or our affiliates solicit or accept orders within your territory, we are not required to provide any compensation.

If you sign an Area Development Agreement, you will not receive an exclusive development area. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the term of your Area Development Agreement, provided that you are not in default of your Agreement or development schedule, we will not open another Pearce Bespoke mobile unit or grant the right to anyone else to open a Pearce Bespoke mobile unit within your development area until the expiration or sooner termination of your Area Development Agreement. Although we grant you this limited protection right, we reserve all rights to sell our products and services under the Marks in the development area through alternative distribution channels, as discussed below. We will approve the Franchised Territory of each future Pearce Bespoke mobile unit to be opened under the Area Development Agreement based on our then-current territory criteria.

You may not advertise, market, solicit, sell, or service customers outside your Franchised Territory ("Non-Exclusive Customers"), unless you are solicited or have a prior verifiable relationship with the Non-Exclusive Customer. Even if you sell to a Non-Exclusive Customer, you must pay us or the incumbent franchise owner an encroachment fee of twenty percent (20%) of the Gross Sales attributed to the Non-Exclusive Customers sales outside of your Franchised Territory ("Encroachment Fee").

You may not use alternative channels of distribution, including the internet, catalog sales, telemarketing, or other direct marketing methods to make sales inside or outside your Franchised Territory unless specifically authorized by Pearce Bespoke.

You need to achieve specified Gross Sales to retain the Franchised Territory ("Minimum Performance Standard(s)"). Following the execution of the Franchise Agreement, the Minimum Performance Standard is as follows:

Minimum Performance Standards	
Period Following Original Opening Date	**Minimum Gross Sales**
Year 1	$50,000
Year 2	$75,000
Year 3	$100,000

Year 4+	10% increase over previous year minimum

You are required to make certain minimum weekly royalty payments to retain the Franchised Territory under the Franchise Agreement ("Minimum Royalty Payment(s)"). Following the execution of the Franchise Agreement, the Minimum Royalty Payment schedule is as follows:

Minimum Weekly Royalty Payment	
Period Following Original Opening Date	**Minimum Royalty Payment**
Year 1	$100 per week
Year 2	$150 per week
Year 3	$200 per week
Year 4+	10% increase over previous year minimum

If you do not meet these minimum requirements, we have the right to reduce the size of your Franchised Territory or terminate your Franchise Agreement. There is no other market penetration or other contingency that will affect your right to operate in your Franchised Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

Pearce Bespoke reserves the right to sell at all conventions, conferences, and other trade centers both domestically in the United States and internationally to market and sell its services solely or jointly with any of its franchisees. We reserve the rights to offer (i) other services and products not offered under the Marks, (ii) other quality custom clothing and accessories concepts or products under the Marks or other trademarks, and (iii) products or services through other channels of distribution in the Franchised Territory including, but not limited to, co-branding with other quality custom clothing and accessories businesses, and products offered through retail stores, the Internet or direct marketing. You will receive no compensation for our sales through alternative distribution channels in the Franchised Territory.

Pearce Bespoke may from time to time enter into agreements to provide services to customers as part of a national, regional, or key account program ("Key Accounts") at locations within the Franchised Territory. You must accept and perform the terms of such agreements (including, without limitation, special pricing, payment terms, timing of services, and central invoicing) with respect of locations within the Franchised Territory. If you refuse to perform the required services or we determine that your Franchise is not qualified, interested, able, or available to perform the services, you are required to allow either our employee(s) or another franchisee to enter the Franchised Territory to perform the required services. In the case of an agreement under which the customer will pay a fixed amount for services at all locations listed in the agreement, we may allocate the fixed amount among the businesses performing the services.

You may not offer products or services through any channel other than those we have expressly approved. If you request approval of any other distribution channel or type of outlet, we will consider the factors we deem appropriate, which may include the time you have been operating the Franchise, your sales volume, whether you have met quality standards and other benchmarks, and other standards that we may determine in our sole discretion. You may not sell products to any vendor who would in turn sell to customers.

Pearce Bespoke will not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory. Except as disclosed in this Item 12 or as specifically allowed in the Franchise Agreement, Pearce Bespoke cannot alter your territory rights.

ITEM 13

TRADEMARKS

Pursuant to the franchise agreement, you are granted a license to operate a Business using the mark Pearce Bespoke (logo) and other marks in connection with the Business (the "Marks").

We have registered the following Mark with the Supplemental Register of the USPTO and have filed and intend to file all affidavits and any other documents required to maintain our interest in and to the Marks upon renewal or at any other time required for renewal and to maintain our interest in and to the Marks.

Mark	U.S. Registration No.	Registration Date	Register
Pearce Bespoke	6868173	October 4, 2022	Supplemental

We claim common law rights to the Marks and other terms and phrases used regularly in connection with the Business. We also claim common law rights to our designs, logos, and trade dress items, including color schemes and appearance, as well as copyright where applicable, but there have not been judicial determinations of the existence, validity, or extent of our rights. We claim and intend to rely on common law and/or statutory trade secret, and unfair competition protection for the proprietary materials and information you are awarded a license to use under the Franchise Agreement.

There are presently no final effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any trademark administrator of any state or any court proceedings which limit or restrict our right to use the above-described Marks or are relevant to your use of the Marks for your Pearce Bespoke business.

There are no currently effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving any Marks that are relevant to Pearce Bespoke operations. There are currently no agreements in effect that significantly limit Pearce Bespoke's rights to use or license the use of any Marks listed in this Item 13 in any manner material to the franchise. Pearce Bespoke is unaware of any superior rights or infringing uses which could materially affect your use of the Marks.

Pearce Bespoke is not required to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. Pearce Bespoke reserves the right to control any trademark litigation and will take the action Pearce Bespoke believes appropriate if a third party infringes Pearce Bespoke's Marks. You must notify Pearce Bespoke promptly if you become aware of any infringement or unauthorized use of the Marks and cooperate with any action that Pearce Bespoke takes. Pearce Bespoke will pay the cost and expense of all litigation Pearce Bespoke incurs, including attorneys' fees, specifically related to the Marks. However, Pearce Bespoke is not required to take affirmative action when notified of these uses or claims. If any party claims that its rights to use any of the Marks are superior and Pearce Bespoke confirms that claim, you must, at your expense, immediately make the changes and use the substitutions to the Marks as Pearce Bespoke requires.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights currently registered or pending which are material to the Pearce Bespoke franchise offered, although Pearce Bespoke does claim copyright protection for each of its Pearce Bespoke Manuals and for various sales promotion and other materials periodically published or located on its website. You must keep confidential during and after the term of the franchise agreement all information contained in the Manuals. You cannot duplicate or provide any information contained in the Manuals to any party other than, during the term of the franchise agreement, those of your employees who need to know that information. When the franchise agreement terminates, you must return to Pearce Bespoke all

copies of each Manual and all other material Pearce Bespoke has copyrighted or designated as confidential. Pearce Bespoke does not contract with individual franchisees to protect the copyrights, to protect individual franchisees against infringement or unfair competition claims arising out of the franchisee's use of the copyrights, or to participate in the franchisee's defense or indemnify the franchisee. Pearce Bespoke reserves the right to control any copyright litigation and will be the sole judge as to whether any suit will be brought or settled when any person or entity infringes Pearce Bespoke's copyrights.

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

Unless we approve your employment of management personnel to operate your Pearce Bespoke Franchise, you must actively participate in the actual operation of the Franchise and devote as much of your time as is reasonably necessary for its efficient operation. The noncompetition provisions found in the Franchise Agreement, do not prohibit you from being employed by a company other than Pearce Bespoke. However, your primary job responsibility must be the operation of the Pearce Bespoke Franchise and we recommend that you actively participate in the operation and supervision of the Franchise. You (if you are an individual) and/or your approved management must attend our training programs. Refer to Item 11 for details. You or your management must complete our initial training program to our sole, subjective satisfaction. We do not require your management to have an equity interest in the Franchise.

If Franchisee is a corporate entity or a partnership, one individual will retain at least fifty percent (50%) of the equity and voting interest in such corporation or partnership and will be obligated to personally manage and operate the Franchisee's business.

We may require every general partner and limited partner, if you are a partnership or limited partnership; or every member, if you are a limited liability company, or every stockholder or other holder of equity interest, if you are a corporation (collectively, "Owners"), to personally guarantee your obligations under the franchise agreement or area development agreement and also agree to be personally bound by, and jointly and severally liable for the breach of, any provision of the franchise agreement or area development agreement. The Owners agree to discharge all of their obligations under the franchise agreement and area development agreement. Furthermore, all Owners are bound by all provisions of the franchise and area development agreements, including but not limited to, maintaining the confidentiality of proprietary information and trade secrets as described in Item 14 and the noncompete covenants described in Item 17. All of your owners, management personnel, and employees who are provided access to the Manual or other confidential information must sign a Confidentiality Agreement. Lastly, if you are a married individual, your spouse must sign a Confidentiality Agreement.

A franchisee's spouse, if not a party to the agreement, is not required to sign a personal guaranty.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those goods and services that Pearce Bespoke has approved. You also must offer all goods and services that Pearce Bespoke designates as required for all franchisees. Pearce Bespoke may, at its discretion, add new goods and services, based on its evaluation of various factors, including customer demands, the geographic location of your Franchise and any other factor which Pearce Bespoke deems important to the operation of your Franchise. Pearce Bespoke's right to modify the approved list of goods and services to be offered at a Pearce Bespoke Franchise is not limited.

You may offer the sale of the approved goods and services from your Franchise location to any person or business location domiciled within your Franchised Territory. Unless specifically authorized by Pearce Bespoke, you may only deliver merchandise or offer services at a site other than your Franchise location to customers residing in your Franchised Territory or to business locations within your Franchised Territory.

You may not advertise, market, solicit, sell, or service Non-Exclusive Customers, unless you are solicited or have a prior verifiable relationship with the Non-Exclusive Customer. Even if you are solicited or have a prior verifiable relationship with a Non-Exclusive Customer, you must pay us or the incumbent franchise owner an Encroachment Fee of twenty percent (20%) of the Gross Sales attributed to the Non-Exclusive Customers sales outside of your Franchised Territory.

You may not use alternative channels of distribution, including the internet, catalog sales, telemarketing, or other direct marketing methods to make sales inside or outside your Franchised Territory unless specifically authorized by Pearce Bespoke.

You may not sell or accept in trade any custom clothing or any products that you believe may be stolen or that have been recalled, are knowingly counterfeit, or are otherwise not safe upon inspection. No new apparel may be sold in your Franchise (only new accessories). You may use only approved advertising and promotional materials.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

A. Franchise Agreement

Provision		Section in Franchise Agreement	Summary
a.	Length of the franchise	Section 2(A)	10 years
b.	Renewal or extension of the term	Section 2(B)	If you meet the renewal requirements set forth in the Franchise Agreement, you can renew the Franchise Agreement for up to two additional 5-year period(s).
c.	Requirements for you to renew or extend	Section 2(B)	Provide advance notice in writing, sign then current Franchise Agreement, pay renewal fee, remodel, meet all current Brand Standards, secure extension of lease and be in compliance with current Franchise Agreement during the term of the Agreement. You may be asked to sign a Franchise Agreement with materially different terms and conditions than your original Franchise Agreement. The entire provision is subject to state law.
d.	Termination by you	Section 16(A)	If you are complying with the Franchise Agreement, and Pearce Bespoke fails to cure a material default within 30 days after Pearce Bespoke's receipt of written notice, subject to state law.
e.	Termination by Pearce Bespoke without cause	Not Applicable	Not Applicable
f.	Termination by Pearce Bespoke with cause	Sections 15(A) and (B)	Pearce Bespoke can terminate the Franchise Agreement only if you default. Subject to state law.
g.	"Cause" defined – curable defaults	Sections 15(A) and (B)	You have 30 days to cure a violation of any material provision of the Franchise Agreement, non-payment of amounts owed to Pearce Bespoke or any applicable local advertising cooperative, failure to abide by Pearce Bespoke's standards and requirements in operating the Franchise, an assignment of assets to creditors and the expiration or termination of the Franchise's lease. Subject to state law.

Provision		Section in Franchise Agreement	Summary
h.	"Cause" defined – non-curable defaults	Sections 15(A) and (B);	Failure to open the Franchise within 3 months after you sign the Franchise Agreement, insolvency, conviction of felony, or violation of a statute which harms the Franchise's reputation, the abandonment of the Franchise, intentionally falsify any information provided to Pearce Bespoke, repeated defaults even if cured, defaults which cannot be cured, repeatedly deceives Franchise customers, defaults which impair the goodwill associated with Pearce Bespoke's trademarks, uncured defaults in any other agreement with Pearce Bespoke, our subsidiaries or affiliates, frequent and/or severe complaints from customers and/or employees, failure to fully cooperate and timely complete audit and violation of the in-term covenant not to compete. The entire provision is subject to state law.
i.	Your obligations on termination/non- renewal	Section 17	Pay all amounts due Pearce Bespoke, return manuals and other materials to Pearce Bespoke, disconnect the telephone number or assign it to Pearce Bespoke, redecorate the Franchise premises, return, or destroy all copies of the Software, disconnect any Franchise-related internet website, and remove all signs containing any Marks (also see I below). The entire provision is subject to state law.
j.	Assignment of contract by Pearce Bespoke	Section 14(A);	Assignee must fulfill Pearce Bespoke's obligations under the agreement assigned.
k.	"Transfer" by you – defined	Section 14I;	Includes any transfer of the Franchise, or its assets, your interest in the Franchise Agreement or any significant ("controlling interest") ownership change. Subject to state law.
l.	Pearce Bespoke's approval of transfer by you	Section 14I	Pearce Bespoke has the right to consent to all transfers of the Franchise Agreement but will not unreasonably withhold consent. Subject to state law.
m.	Conditions for Pearce Bespoke's approval of transfer	Section 14I	New franchisee must qualify and complete training, pay transfer fee, you must pay all amounts owed to Pearce Bespoke and be in good standing, new franchisee assumes existing Agreement or (at Pearce Bespoke's option) signs then-current agreement, Pearce Bespoke has determined that the purchase price and payment terms will not adversely affect the new franchisee's operation of the Franchise, if the transfer is financed by you, you agree that all of the new franchisee's obligations under promissory notes, agreements or security interests in the Franchise are subordinate to the new franchisees obligation to pay fees owed to Pearce Bespoke under the Franchise
			Agreement and you agree to observe all post-termination obligations under Franchise Agreement (also see I, below). The entire provision is subject to state law.
n.	Pearce Bespoke's right of first refusal to acquire your business	Section 13	Pearce Bespoke can match any offer for your business.
o.	Pearce Bespoke's option to purchase your business	Not Applicable, except as indicated in (n), above	Not Applicable. Subject to state law.
p.	Your death or disability	Section 13(B)	You can transfer stock to other shareholders without

Provision		Section in Franchise Agreement	Summary
			offering Pearce Bespoke a right of first refusal; if assignee is your spouse or child, no transfer fee is required.
q.	Non-competition covenants during the term of the franchise	Section 18(A)	No direct or indirect involvement in any resale mobile business involving the purchase and/or sale of custom clothing and accessories other than the one authorized in the Franchise Agreement, without Pearce Bespoke's prior written consent, subject to state law.
r.	Non-competition covenants after the franchise is terminated or expires	Sections 18(B) and (C)	No direct or indirect involvement in any resale mobile business involving the purchase and/or sale of custom clothing and accessories for 2 years within 10 miles of the Franchise or any other Pearce Bespoke Franchise. If the franchisee is in breach of this provision, the noncompetition period will be extended for a period of time equal to the time the franchisee operated a competing business, subject to state law.
s.	Modification of the agreement	Sections 3I, 8(N) and 20(A) and (B)	Manuals, list of authorized Marks and required goods subject to change.
t.	Integration/merger clause	Section 20(G);	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement or any related document is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 19(A)	Except for certain claims, all disputes must be arbitrated in Baton Rouge, Louisiana (subject to state law).
v.	Choice of forum	Sections 18(D) and 19	All disputes that are subject to arbitration must be arbitrated in Baton Rouge, Louisiana. Other claims may be decided by any court of competent jurisdiction (subject to APPLICABLE state law). *A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
w.	Choice of law	Section 20(D)	Apply law of Louisiana (subject to APPLICABLE state law).

B. Development Agreement

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section 5	The term expires upon the deadline to develop the Businesses specified in the Development Schedule or upon the development of all Businesses.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Section 6.1	We can terminate only if you default (see (g.) and (h.) below). Subject to state law.

Provision	Section in Development Agreement	Summary
g. "Cause" defined – curable defaults	Not Applicable	Not Applicable
h. "Cause" defined – non-curable defaults	Section 6.1	You fail to have open and operating, the minimum number of Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule; any Franchise Agreement is terminated a result of default; or you breach or otherwise fail to comply fully with any other provision of the Development Agreement. Subject to state law.
i. Franchisee's obligations on termination/non-renewal	Section 6.2	You will lose the right to continue to develop Franchised Businesses in your Development Area.
j. Assignment of contract by us	Section 7	Fully assignable and transferrable by us.
k. "Transfer" by franchisee – definition	Section 7	Includes transfer of the Development Agreement, any interest in the Development Agreement, or, if you are a business entity, any interest in the entity.
l. Our approval of transfer by franchisee	Section 7	We have the right to approve or not approve all transfers in our sole discretion.
m. Conditions for our approval of transfer	Section 7	We have sole discretion in setting conditions for our approval of a transfer.
n. Our right of first refusal to acquire franchisee's business	Section 7	We have the first right of refusal on all transfer, exercisable withing 30 days of receiving an executed copy of the contract of transfer.
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	We have the right approve or disapprove any transfer in our sole discretion.
q. non-competition covenants during the term	Section 8	The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement
r. non-competition covenants after the Franchise Agreement is terminated or expires	Section 8	The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement.
s. Modification of the agreement	Section 9	No modifications to the Development Agreement unless you and we agree in writing. We may amend the Manual at any time.
t. Integration/merger clause	Section 9	Only the terms of the Development Agreement and any Franchise Agreements are binding (subject to applicable state law). Any promises outside the Development Agreement, the Franchise Agreements, and this FDD may not be enforceable. However, nothing in the Franchise Agreement will have the effect of disclaiming any of the representations made in this FDD.
u. Dispute resolution by arbitration or mediation	Section 8	The dispute resolution provisions of the Franchise Agreement apply to any disputes under the Development Agreement (subject to applicable state law)
v. Choice of forum	Section 8	The choice of forum provision of the Franchise Agreement applies to the Development Agreement (subject to applicable state law) *A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
w. Choice of law	Section 8	The choice of law provision of the Franchise Agreement applies to the Development Agreement (subject to applicable state law)

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in Exhibit I: State Specific Addenda to this Disclosure

Document.

The provision in the franchise agreement, which provides for termination upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 U.S.C., et seq.).

ITEM 18
PUBLIC FIGURES

Pearce Bespoke currently does not use any public figure to promote its franchise, although Pearce Bespoke reserves the right to engage a public figure for endorsements in the future. No public figure is involved in the management or control of Pearce Bespoke.

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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Nathan Pearce, 7959 Palm Park Lane, Baton Rouge, LA 70809; (205) 919-2949, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
Systemwide Outlet Summary For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2023	1	38	+37
	2024	38	49	+11
	2025	49	63	+16
Company-Owned Outlets	2023	2	2	0
	2024	2	2	0
	2025	2	0	-2
Total Outlets	**2023**	**3**	**40**	**+37**
	2024	**40**	**49**	**+11**
	2025	**49**	**63**	**+14**

TABLE 2

Transfers of Outlets From Franchisee to New Owner
(Other than Company-Owned Locations)
For Years 2023 to 2025

State	Year	Number of Transfers
AL	2023	0
	2024	0
	2025	2
FL	2023	0
	2024	0
	2025	4
LA	2023	0
	2024	0
	2025	1
OK	2023	0
	2024	0
	2025	1
TX	2023	0
	2024	0
	2025	1
TOTAL	**2023**	**0**
	2024	**0**
	2025	**9**

TABLE 3
Status of Franchised Outlets
For Years 2023 to 2025

State	Year	Franchises at the Start of the Year	Franchises Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations/ Other Reasons	Franchises at the End of the Year
AL	2023	0	2	0	0	0	0	2
	2024	2	2	0	0	0	0	4
	2025	4	2	1	0	0	1	4
CA	2023	0	4	0	0	0	0	4
	2024	4	2	0	0	0	0	6
	2025	6	0	0	0	0	2	4
DC	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
FL	2023	0	10	0	0	0	0	10
	2024	10	0	0	0	0	0	10
	2025	10	3	1	0	0	1	11
GA	2023	0	3	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
IL	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	4	0	0	0	0	4
IN	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	0	0	0	0	0	2
LA	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State	Year	Franchises at the Start of the Year	Franchises Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations/ Other Reasons	Franchises at the End of the Year
	2025	1	2	0	0	0	0	3
MA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
MI	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MS	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NC	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NJ	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
NV	2023	0	4	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
NY	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
OK	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	1	0	0	0	0
OR	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
SC	2023	1	1	0	0	0	0	2
	2024	2	2	0	0	0	0	4
	2025	4	0	0	0	0	0	4
TN	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
TX	2023	0	6	0	0	0	0	6
	2024	6	1	0	0	0	0	7
	2025	7	3	0	0	0	1	9
UT	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	3	0	0	0	0	3
TOTAL	**2023**	**1**	**37**	**0**	**0**	**0**	**0**	**38**
	2024	**38**	**11**	**0**	**0**	**0**	**0**	**49**
	2025	**49**	**23**	**3**	**0**	**0**	**6**	**63**

TABLE 4
Status of Company-Owned Outlets
For Years 2023 to 2025

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
	2023	2	0	0	0	0	2

	2024	2	0	0	0	0	2
LA	2025	2	0	0	0	2	0
TOTAL	**2023**	**2**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**0**	**0**	**0**	**2**	**0**

TABLE 5
Projected Openings As of December 31, 2025

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
AZ	0	2	0
CA	0	4	0
CT	0	3	0
FL	1	4	0
GA	0	2	0
IL	0	2	0
IN	0	1	0
MD	0	0	0
MO	0	0	0
MT	0	0	0
NC	0	2	0
NJ	1	2	0
NY	0	1	0
TN	0	0	0
TX	0	2	0
UT	0	0	0
VA	0	1	0
TOTAL	**4**	**26**	**0**

Our fiscal year ends on December 31 of each year. We have presented all the foregoing numbers as of the issuance of this Disclosure Document.

Exhibit C lists the names of all current and former franchisees and the addresses and telephone numbers of their outlets as of the issuance date of this Disclosure Document.

There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System. There are no franchisees that have signed area development agreements.

There are currently no franchisees who have signed a confidentiality agreement during the last three years.

There are no independent franchisee organizations associated with the franchise System.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A to this Disclosure Document are our audited financial statements for the period December 31, 2023, December 31, 2024, and December 31, 2025.

Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Contract	Location in this Disclosure Document
Franchise Agreement (FA)	Exhibit E
Area Development Agreement (ADA)	Exhibit F
Personal Guaranty	Attachment to FA and ADA
Form of General Release	Exhibit G
Form of Confidentiality and Noncompete Agreement	Exhibit H
State-Required Franchise Agreement Riders	Exhibit I
Franchisee Acknowledgment Statement	Exhibit J

ITEM 23
RECEIPTS

Attached as the last pages of this Disclosure Document, are detachable Receipts to be signed by you. Please keep one for your records, and sign and return a copy to us.

EXHIBIT A

FINANCIAL STATEMENTS

PEARCE BESPOKE

PEARCE BESPOKE FRANCHISING, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025, 2024 (RESTATED) and 2023 (RESTATED)

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

PEARCE BESPOKE FRANCHISING, LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Members
Pearce Bespoke Franchising, LLC
Huntersville, North Carolina

Opinion

We have audited the accompanying financial statements of Pearce Bespoke Franchising, LLC, which comprise the balance sheet as of December 31, 2025, and the related statement of operations, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pearce Bespoke Franchising, LLC as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter – Predecessor Auditor

The financial statements of the Company as of and for the years ended December 31, 2024, and 2023 were audited by another auditor whose reports dated May 15, 2025, and May 24, 2024, respectively expressed an unmodified opinion on those statements. We were not engaged to audit the financial statements for the years ended December 31, 2024, and 2023, and accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter – Correction of Prior Year Errors

As discussed in Note 7 to the financial statements, the Company has restated its previously issued financial statements for the years ended December 31, 2024, and 2023, to correct certain errors in how the Company accounted for initial franchise sales revenue and related commissions expense. We were not engaged to audit the years ended December 31, 2024, and 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

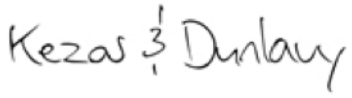
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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



St. George, Utah
April 24, 2026

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Pearce Bespoke Franchising, LLC (the “Company") was formed on November 5, 2021 in the state of North Carolina for the principal purpose of conducting franchise sales, marketing, and management. The Company grants qualified franchisees the right to own and operate a mobile custom clothing business in the United States.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (“SEC”), superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

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

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase.

(e) Accounts Receivables

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, marketing fees, and technology fees. These receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses (“CECL”) model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received.

(f) Prepaid expenses

Prepaid expenses primarily consist of interest paid in advance on the Company’s notes payable and are recorded as current assets. These amounts are amortized to interest expense over the related notes’ contractual terms using a straight-line method, which approximates the effective interest method.

(g) Revenue Recognition

The Company has adopted ASC 606, Revenue from Contracts with Customers. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of initial franchise fees, royalties, brand fund fees, and subscription revenue based on a fixed amount, other revenue, and product sales.

Royalty, brand fund, and subscription revenue

Upon evaluation of the five-step process, the Company has determined that royalty, marketing and subscription fees are to be recognized in the same period as the underlying sales, in accordance with the sales-based royalty exception.

Product sales

Product sales are made up of fees for franchise opening inventory and equipment, and continued inventory sales and are recognized in the same period of the sale.

Other revenue

Other revenue primarily consists of fees charged for additional training services provided to franchisees and rebates earned from certain vendors and are recognized in the same period as the underlying service is provided.

Initial franchise fees

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. These pre-opening services include the following (which the Company may or may not provide all of):

- Assistance in the selection of a territory
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

In determining the allocation of the transaction price (the initial franchise fee) between the license and the pre-opening services, the Company allocates a portion of the initial franchise fee to the pre-opening services with the remaining balance allocated to the franchise license. The portion allocated to pre-opening services is recognized as revenue when those services have been completed (which generally occurs upon commencement of the associated franchised location's operations), while the portion allocated to the license is recognized as revenue over the term of the franchise agreement.

(h) Income Taxes

The Company is structured as a limited liability company ("LLC") under the laws of the state of North Carolina. Accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2025, the 2024, 2023, and 2022 tax years are subject to examination.

(i) Advertising Costs

The Company expenses advertising costs as incurred.

(j) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, pre-paid expenses, and accounts payable the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(k) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(l) Leasing

The Company adopted ASC 842, *Leases*. The Company has operating leases for retail space, which require adjustments to record the right-of-use assets and lease liabilities as of the date of initiating the leases. The right of use assets and lease liabilities reflect the present value of the Company's estimated future minimum lease payments over the lease term, discounted using a collateralized incremental borrowing rate. The impact of ASC 842 is non-cash in nature and does not affect the Company's cash flows.

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any of its short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

Total lease expense recognized was $23,630 for the year ended December 31, 2025.

(2) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalty and brand fund fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Pearce Bespoke system for a period of ten years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company

defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

(3) Disaggregation of Revenue

Disaggregated franchise fee revenue based on the satisfaction of performance obligations in the Company's contracts with franchisees is as follows for the year ended December 31:

	2025	2024	2023
Performance obligations satisfied at a point in time	$ 318,604	$ 386,250	$ 434,963
Performance obligations satisfied over the life of the	245,819	126,717	26,801
Total initial franchise fee revenue	$ 564,423	$ 512,967	$ 461,764

(4) Contract Balances

The Company's deferred commissions activity is as follows for the years ended December 31:

	2025	2024	2023
Beginning deferred commissions	$ 358,719	$ 435,224	$ -
Additions	299,650	182,200	629,600
Expenses recognized	(266,057)	(258,705)	(194,376)
Ending deferred commissions	$ 392,313	$ 358,719	$ 435,224
Deferred commissions, current	$ 44,026	$ 266,057	$ 258,705
Deferred commissions, non-current	348,287	92,663	176,519
Total deferred commissions	$ 392,313	$ 358,719	$ 435,224

The Company's deferred revenue activity is as follows for the years ended December 31:

	2025	2024	2023
Beginning deferred revenue	$ 816,195	$ 895,662	$ -
Additions	663,708	433,500	1,357,425
Revenue recognized from beginning deferred revenue	(275,343)	(336,202)	-
Revenue recognized from contracts executed in the current	(289,080)	(176,765)	(461,764)
Ending deferred revenue	$ 915,480	$ 816,195	$ 895,662
Deferred revenue, current	$ 118,085	$ 564,423	$ 512,967
Deferred revenue, non-current	797,395	251,772	382,695
	$ 915,480	$ 816,195	$ 895,662

(5) Operating Leases

The Company is the lessee in one operating leases, which mature in 2028. As of December 31, 2025, the Company recorded a right of use asset of $44,702. As of December 31, 2025, the Company had the following current and non-current portion of operating lease liabilities:

	2025
Operating lease liabilities, current	$ 20,806
Operating lease liabilities, non-current	24,986
	$ 45,792

As of December 31, 2025, the future minimum lease payments under non-cancelable operating leases are as follows:

For the year ended December 31,		
2026	$	26,400
2027		24,200
Total lease payments		50,600
Less: amounts representing interest (discount rate of 8.48%)		(4,808)
Total operating lease liability	$	45,792

(6) Franchisee Payable

The Company operates a franchise system in which it collects gross sales proceeds from franchisees, either directly from customers or through third-party payment processors and subsequently remits the franchisees' share of those amounts. Amounts representing gross sales due to franchisees are recorded in Franchisee Payable until settlement to the franchisees occurs.

(7) Note Payable

As of December 31, 2025, the Company's notes payable consisted of the following:

	2025
Note payable face amount of $100,000, payable in 20 monthly installments of $5,000 including interest at the rate of 10%. Final payment due June 2027. Collateralized by the assets of the Company.	$ 95,560
Note payable face amount of $140,000, payable in weekly installments of $2,692. $40,000 of interest was prepaid. Final payment due November 2026. Collateralized by the assets of the Company.	115,769
Note payable face amount of $80,932, payable every 2 months in installments of $8,992.45. $13,432 of interest was prepaid. Final payment due June 2027. Collateralized by the assets of the Company.	80,932
Note payable. Face amount of $65,800, payable in weekly installments of $1,219 $18,800 of interest was prepaid. Final payment due December 2026. Collateralized by the assets of the Company.	60,439
	352,700
Less: current maturities	(281,034)
	$ 71,666

(8) Restatement of Previously Issued Financial Statements

The Company has restated its previously issued financial statements as of and for the years ended December 31, 2024 and 2023 to correct its accounting for initial franchise sales revenue and commissions expense and associated deferred revenue and contract costs in accordance with ASC 606.

The Company determined that its prior method of accounting for franchise fee revenue did not appropriately apply the guidance in ASC 606 with respect to the identification of performance obligations and the allocation of transaction price based on standalone selling prices. Specifically, the Company had previously recognized revenue in a manner that did not fully reflect the timing of satisfaction of performance obligations and the required allocation methodology. In addition, the Company had also incorrectly recognized revenue and expense on a net basis when receiving initial franchise fees net of associated commissions expense. As a result, the Company revised its

accounting to properly (a) identify franchise licenses and related pre-opening services as performance obligations (b) allocate transaction price using standalone selling prices, (c) recognize revenue when (or as) the related performance obligations are satisfied and (d) account for the full initial franchise fee and associated commissions expense.

The following tables summarize the effects of the restatement on the Company's previously reported financial statements for the fiscal years ended December 31, 2024 and December 31, 2023.

The errors include the following adjustments as of December 31, 2024:

	As Previously Reported	Adjustments	As Restated
Deferred commissions	701,684	(342,965)	358,719
Deferred franchise fee	813,798	2,396	816,194
Franchise fees	872,417	(359,450)	512,967
Commission expense	172,580	86,125	258,705
General and administrative	496,528	878	497,406
Member's equity (deficit)	(441,638)	(345,361)	(786,999)

The following financial statement areas have been affected as of December 31, 2023:

	As Previously Reported	Adjustments	As Restated
Deferred commissions	$ 691,186	$ (255,962)	$ 435,224
Deferred franchise fees	1,145,844	(357,054)	895,661
Commission expense	-	194,376	194,376
Franchise fees	164,210	297,554	461,764
General and administrative	1,052,399	2,086	1,054,485
Member's equity (deficit)	(479,864)	101,092	(378,772)

(9) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(10) Subsequent Events

Management has reviewed and evaluated subsequent events through April 24, 2026, the date on which the financial statements were issued.

PEARCE BESPOKE FRANCHISING, LLC

FINANCIAL REPORT

AS OF DECEMBER 31, 2024

PEARCE BESPOKE FRANCHISING, LLC
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REESE
CPA LLC

Independent Auditor's Report

To the Members
Pearce Bespoke Franchising, LLC
Huntersville, North Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying balance sheet of Pearce Bespoke Franchising, LLC as of December 31, 2024, and the related statements of operations, members' (deficit) and cash flows for the year ended December 31, 2024, and the notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pearce Bespoke Franchising, LLC as of December 31, 2024 and the results of their operations and their cash flows for the year ended December 3, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pearce Bespoke 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pearce Bespoke 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about Pearce Bespoke 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.

Reese CPA LLC

Ft. Collins, Colorado
May 15, 2025

PEARCE BESPOKE FRANCHISING, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2024

	2024
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 19,957
Accounts receivable	105,345
Deferred commissions, current	79,960
TOTAL CURRENT ASSETS	205,262
NON-CURRENT ASSETS	
Right to Use - Office Space	19,860
Deferred commissions	621,724
Other assets	2,198
TOTAL ASSETS	$ 849,044
LIABILITIES AND MEMBER'S (DEFICIT)	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 136,846
Franchisee payable	151,944
Due to related party	692
Notes payable	166,382
Lease payable	21,020
Non-refundable deferred franchise fees, current	139,500
TOTAL CURRENT LIABILITIES	616,384
NON-CURRENT LIABILITIES	
Non-refundable deferred franchise fees	674,298
TOTAL LIABILITIES	1,290,682
MEMBER'S (DEFICIT)	
Member contributions	60,463
Accumulated (deficit)	(502,101)
TOTAL MEMBER'S (DEFICIT)	(441,638)
TOTAL LIABILITIES AND MEMBER'S (DEFICIT)	$ 849,044

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

PEARCE BESPOKE FRANCHISING, LLC
STATEMENT OF OPERATIONS
YEARS ENDED DECEMBER 31, 2024

	2024
REVENUES	
Franchise fees	$ 872,417
Royalties	98,271
Advertising	19,654
Other	200,355
TOTAL REVENUE	1,190,697
OPERATING EXPENSES	
Franchise related costs	472,821
Payroll and related costs	462,733
General and administrative	172,454
Advertising	39,030
Professional fees	2,500
TOTAL OPERATING EXPENSES	1,149,538
OPERATING INCOME	41,159
OTHER INCOME (EXPENSE)	
Interest expense	(63,396)
NET INCOME	$ (22,237)

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

PEARCE BESPOKE FRANCHISING, LLC
STATEMENT OF CHANGES IN MEMBERS' (DEFICIT)
YEARENDED DECEMBER 31, 2024

	Member Contributions	Accumulated (Deficit)	Total Members' (Deficit)
BALANCE, DECEMER 31, 2023	**$ 7,880**	**$ (479,864)**	**$ (471,984)**
Member contributions	52,583	-	52,583
Net (loss)	-	(22,237)	(22,237)
BALANCE, DECEMER 31, 2024	**$ 60,463**	**$ (502,101)**	**$ (441,638)**

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

PEARCE BESPOKE FRANCHISING, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	2024
CASH FLOWS FROM OPERATING ACTIVITIES	
Net (loss)	$ (22,237)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Amortization expense	1,010
Recognition of deferred commissions	145,502
Recognition of non-refundable deferred franchise fees	(872,417)
Changes in assets and liabilities	
Accounts receivable	(83,157)
Deferred commissions	(156,000)
Accounts payable and accrued expenses	32,700
Franchisee payable	151,944
Non-refundable deferred franchise fees	433,500
Net cash (used) by operating activities	(369,155)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash (used) for investing activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Member contributions	52,583
Proceeds from notes payable	409,200
Payments on notes payable	(242,818)
Advances to related party	-
Net cash (used) by financing activities	218,965
NET INCREASE (DECREASE) IN CASH	(150,190)
CASH, BEGINNING	170,147
CASH, ENDING	$ 19,957
SUPPLEMENTAL DISCLOSURES	
Cash paid for interest	$ 63,396
Cash paid for taxes	$ -

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

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

Pearce Bespoke Franchising, LLC ("Company") was incorporated on November 5, 2021, in the State of North Carolina as a Limited Liability Company. The Company grants franchises to qualified persons to operate a Pearce Bespoke franchised business from which the franchisee will sell quality custom clothing and accessories.

Affiliate

Nathan Pearce, LLC d/b/a Pearce Bespoke, a Louisiana limited liability company formed October 3, 2019, and since September 2022 has operated a business in the Baton Rouge, Louisiana area similar to the business being franchised. The affiliate does not conduct any other business, nor does it provide products or services to other Pearce Bespoke franchisees.

A summary of significant accounting policies follows:

Basis of Presentation

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

Use of Estimates

Preparation of the Company's financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash or cash equivalents as of December 31, 2024.

Accounts Receivable

The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any allowance for doubtful accounts as of December 31, 2024, and did not write off any accounts receivable during the year ended December 31, 2024.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Commissions

Deferred commissions consist of commissions paid on the sale of a franchise by the Company. They are capitalized as an incremental cost of the franchise agreement and are recognized as an expense over the life of the franchise agreement under the guidance of ASC 340-40, "Other Assets and Deferred Costs - Contracts with Customers".

Franchisee Revenue Recognition and Non-refundable Deferred Franchise Fee Revenue

The Company recognizes revenue under the guidance of ASC 606 "Contracts with Customers".

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation, and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The Company is using the practical expedient under the guidance of ASC 952-606 and is treating all pre-opening activities as distinct from the franchise license as defined in the next paragraph. The Company has determined that 50% of its initial franchise fee is allocable to the pre-opening obligations in the franchise contract. The remainder of performance obligations not related to the grant of the license represent a single performance obligation. and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is currently 10 years.

When a franchisee purchases a franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos ("the license") for a specific period of time and in a specific territory. The license is symbolic intellectual property. Revenues related to the license are continuing royalties of 10% of gross sales, subject to a minimum royalty as defined in the franchise agreement. Royalty revenues are compensation for the use of the license in the territory, over the term of the contract, and will be used in part to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed weekly and are recognized as revenue when earned.

Marketing Fund Contribution

The Company has established a brand fund to provide regional and national advertising for the benefit of the franchisees. The brand fund fees are 2% of weekly gross sales and are billed weekly and are recognized as revenue when earned up to the amount spent on marketing activities as defined in the franchise disclosure document. The Company has reserved the right to increase the fee to 3% of gross revenues. Funds collected, but not yet spent, are recorded as deferred revenue on the balance sheet. As of December 31, 2024, $0 was included in deferred revenue.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ancillary Franchise Fees

Fees for franchise opening inventory and equipment, technology, software, additional training, and other revenues are recognized as revenue when control of the related good or service has been transferred to control of the franchisee All ancillary fees are billed upon delivery, weekly or monthly as the service is delivered or available.

Income Taxes

The Company has elected to be treated as a disregarded entity for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its member and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

Advertising Costs

The Company charges advertising costs to expense as incurred. Advertising expense for the year ended December 31, 2024, were $39,030.

Fair Value of Financial Instruments

For the Company's financial instruments consist of cash and cash equivalents, the carrying amounts are approximately fair value due to their short maturities.

Recently issued accounting pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recorded a liability for unearned revenue associated with the performance obligation of the Company's franchise agreements. The account balances and activity for the years ending December 31 are as follows:

	December 31, 2024
Deferred Commissions	
Balance beginning of year	$ 691,186
Deferral of franchise sale commissions	156,000
Recognition of franchise sale commissions	(145,502)
Balance at end of year	$ 701,684
Deferred Non-refundable Franchise Fees:	
Balance beginning of year	$ 1,252,715
Deferral of non-refundable franchise fees	433,500
Recognition of non-refundable franchise fees	(872,417)
Balance at end of year	$ 813,798

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ended December 31, 2024, is as follows:

	2024
Performance obligations satisfied at a point in time	$ 1,111,391
Performance obligations satisfied by the passage of time	79,306
Total revenues	$ 1,190,697

NOTE 2 – CONTRACTS WITH CUSTOMERS (CONTINUED)

Estimated Recognition of Deferred Franchise Fees

Estimated revenues to be recognized in future periods related to deferred franchise fees as reported at December 31, 2024, is as follows:

	Deferred Commissions	Non-refundable Franchise Fees
Year ending December 31:		
2025	$ 79,960	$ 139,500
2026	79,960	90,000
2027	79,960	90,000
2028	79,960	90,000
2029	79,960	90,000
Thereafter	301,884	314,298
	$ 701,684	$ 813,798

NOTE 3 – NOTES PAYABLE

Notes payable consist of the following at December 31,

	2024
Note payable with a bank. Face amount of $150,000, payable in 54 weekly installments of $3,528 including a fixed fee of 27% of the face amount of the note. Final payment is due in July 2025. Collateralized by the assets of the Company.	$ 97,508
Note payable with a bank. Face amount of $155,100, payable in monthly minimum payments of $19,818 every two months or 25% of accounts receivable presented for payment processing including a fix fee of 13% of the principal amount. Final payment is due in March 2026. Collateralized by accounts receivable.	68,874
	166,382
Less current maturities	166,382
	$ -

NOTE 4 – RIGHT TO USE ASSET AND LEASE LIABILTY

On November 21, 2023, under the guidance of ASC 842 "Leases", the Company recorded a right to use asset and lease liability for the lease of office space. As of January 1, 2024, the remaining initial lease term was 22 months, through October 2025. Lease payments over the term are between $2,000 and $2,150. The right to use asset and lease were recorded as an operating lease. The right to use asset and lease liability were valued using the monthly lease payments over the initial term of the lease using a 4.95% discount rate based on the lessee borrowing rate at the inception of the lease. Total lease expense recorded for the year ended December 31, 2024, was $23,760. The value of the right to user asset was $19,670 as of December 31, 2024, and the value of lease payable was $21, 020 as of December 31, 2024.

Future minimum payments of the lease, including unamortized interest is as follows:

Year ending December 31:		
2025	$	21,500

NOTE 5 – RELATED PARTY TRANSACTIONS

Amounts owned to the Company's related parties was $692 as of December 31, 2024.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 7 –SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through May 15, 2025, the date on which the financial statements were available to be issued.

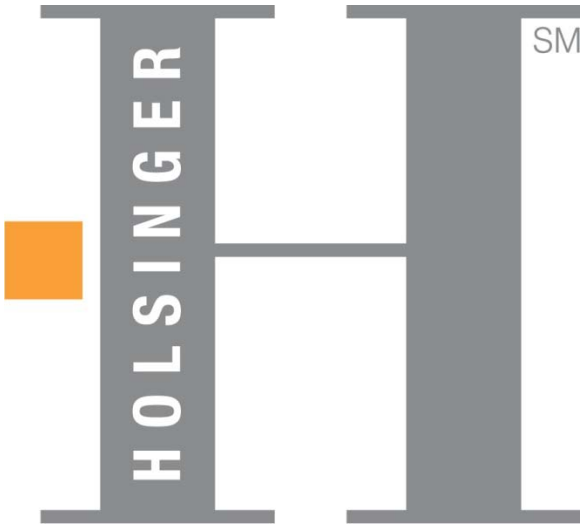
Outside the box. Within the lines.℠

Financial Statements

PEARCE BESPOKE FRANCHISING, LLC

DECEMBER 31, 2023 AND 2022

PEARCE BESPOKE
A New Suiting Experience



Outside the box. **Within the lines.**

PEARCE BESPOKE FRANCHISING, LLC
DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To the Members
Pearce Bespoke Franchising, LLC
Huntersville, North Carolina

Opinion

We have audited the accompanying financial statements of Pearce Bespoke Franchising, LLC (a North Carolina Limited Liability Company), which comprise the balance sheet as of December 31, 2023 and 2022, and the related statements of operations and members' equity (deficiency) and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pearce Bespoke Franchising, LLC (the "Company") as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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MSI Global Alliance Independent Member Firm

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Holsinger P.C.

Wexford, Pennsylvania
May 24 2024

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PEARCE BESPOKE FRANCHISING, LLC
BALANCE SHEETS

ASSETS

	As of December 31, 2023	As of December 31, 2022
Current Assets:		
Cash	$ 170,147	$ 46,811
Accounts receivable	22,188	-
Deferred consulting fee	71,458	2,500
Total Current Assets	263,793	49,311
Deposits	2,198	-
Deferred Consulting Fee	619,728	22,500
Right-of-Use Asset - Operating Lease	43,692	-
Total Assets	$ 929,411	$ 71,811

LIABILITIES AND MEMBERS' EQUITY (DEFICIENCY)

Current Liabilities:		
Accounts payable	$ 80,525	$ 7,591
Related party payables	692	-
Accrued payroll and payroll taxes	23,621	5,339
Deferred franchise fee revenue	129,693	5,100
Operating lease liability - current	22,822	-
Total Current Liabilities	257,353	18,030
Deferred Franchise Fee Revenue	1,123,022	45,900
Operating Lease Liability, net	21,020	-
Total Liabilities	1,401,395	63,930
Members' Equity (Deficiency)	(471,984)	7,880
Total Liabilities and Members' Equity (Deficiency)	$ 929,411	$ 71,811

The accompanying notes are an integral part of this financial statement.

PEARCE BESPOKE FRANCHISING, LLC
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY (DEFICIENCY)

	Years Ended December 31,	
	2023	2022
Revenues:		
Initial franchise fees	$ 164,210	$ -
Equipment fees	168,000	-
Franchise revenues	153,238	36,593
Royalties	47,008	6,031
Rebates	40,079	426
Total Revenues	572,535	43,050
Operating Expenses	1,052,399	89,414
Net Income (Loss)	(479,864)	(46,365)
Members' Equity, Beginning	7,880	-
Contributions	-	54,245
Members' Equity (Deficiency), Ending	$ (471,984)	$ 7,880

The accompanying notes are an integral part of this financial statement.

PEARCE BESPOKE FRANCHISING, LLC
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2023	2022
Operating Activities:		
Net Loss	$ (479,864)	$ (46,365)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Net change in right-of-use asset	150	-
Changes in assets and liabilities:		
Accounts receivable	(22,188)	-
Deposits	(2,198)	-
Deferred consulting fee	(666,186)	(25,000)
Accounts payable	72,934	7,591
Accrued payroll taxes	18,282	5,339
Deferred franchise fee revenue	1,201,715	51,000
Net Cash Used in Operating Activities	122,645	(7,434)
Financing Activities:		
Related party payables	692	-
Member contributions	-	54,245
Net Cash Provided by Financing Activities	692	54,245
Increase in Cash	123,337	46,811
Cash - Beginning of Period	46,811	-
Cash - End of Period	$ 170,147	$ 46,811
Supplemental Disclosure of Cash Flow Information:		
Lease assets obtained in exchange for new lease obligations	$ 47,474	$ -

The accompanying notes are an integral part of this financial statement.

Note 1 – Nature of Planned Operations

Nature of Operations – Pearce Bespoke Franchising, LLC (the "Company"), incorporated under the laws of North Carolina on November 5, 2021, offers franchises the operation of a mobile unit under the Pearce Bespoke™ mark ("Mobile Franchise"). A Mobile Franchise is a mobile unit from which the franchisee will sell quality custom men's and women's clothing and accessories.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting – The Company uses the accrual basis of accounting in accordance with U.S. GAAP, whereby revenue is recognized when earned and expenses are recorded as incurred.

Cash – The Company maintains cash at a bank that is insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. From time-to-time amounts exceed FDIC limits.

Accounts Receivable – The Company grants credit without collateral to a majority of its franchisees and records accounts receivable at the time when a new franchise agreement is signed or the contractual criteria for billing has been satisfied. Collectability of receivables is periodically assessed, providing the basis for the allowance for credit losses accounts and related credit loss expense. Management determined no allowance for credit losses accounts was necessary as of December 31, 2023 and 2022.

Deferred Revenue – The Company defers recognition of the initial franchise fee revenue until substantially all initial services required by the franchise or license agreement are performed.

Revenue Recognition – Revenue is measured based on consideration specified in contracts with franchisees and excludes incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a product or service to a franchisee. The following describes principal activities, separated by major product service, from which the Company generates its revenues:

Initial Franchise Fees

The initial franchise fees are calculated as follows, unless otherwise specified in the agreement or via an amendment to the franchise agreement:

Number of Franchised Businesses	Initial Franchise Fee (for each Franchised Business)
First	$49,500
Second	$42,000
Third	$38,000
Fourth	$30,000
Fifth	$25,000
Thereafter	$20,000

Note 2 – Summary of Significant Accounting Policies – Continued

The initial fees are paid in consideration of the rights granted in the franchise agreement and are non-refundable. The initial fees are recognized as revenue over the term of the initial franchise agreement, which is ten years. Subject to certain requisites, the Company may renew the term of a franchisee upon expiration of the initial term, for an additional ten-year periods. The renewal fee, to be no more than 25% or $10,000 of the then current initial franchise fee, whichever is greater, is paid in consideration of the rights granted in the franchise agreement and is non-refundable. The renewal fee is recognized as revenue over the term of the renewal period.

Opening Inventory & Equipment Fees

The initial equipment package fee is $8,000 from Pearce Bespoke (as defined in the franchise agreement. The franchisee obtains control of the equipment and revenue is recognized upon the execution of the franchise agreement.

If a franchise owner is operating under a semi-absentee owner model and hire a clothier immediately, franchisees are required to purchase a Clothier Inventory Package for $2,700 per clothier (as defined in the franchise agreement). The franchisee obtains control of the inventory and revenue is recognized upon the execution of the franchise agreement. This fee is assessed for each additional clothier added to a franchised location.

Franchise Royalties

Franchise royalties are calculated based upon either 10% of franchisee gross revenue or a minimum of $100 per week (as defined in the franchise agreement). In year 2 of operation the minimum fee will increase to $150 per week. In year 3 and beyond, the minimum fee will be $200 per week. Franchise royalties are collected and recognized as revenue on a weekly basis for the previous week's sales.

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Brand fund revenue is calculated at 2% of franchisee gross revenue (as defined in the franchise agreement). The Company may charge an additional brand fund fee not to exceed 3% of franchisee gross revenue. The Company will use the brand fund fee to conduct advertising research and public relations campaigns, develop websites and other online media programs, develop marketing materials such as television, radio, internet, and print advertising production, and promotional materials for use in each Franchisee's local market, and implement advertising and marketing campaigns. Brand fund revenues are collected and recognized as revenue on a weekly basis for the previous week's sales.

Local Area Marketing Revenue

Local area marketing revenue is calculated at 5% of franchisee gross revenue per month (as defined in the franchise agreement) and will begin in the first full month after the date the franchised business opens. Local area marketing revenue is recognized by the Company in the month charged.

Franchisees are required to participate in any local marketing cooperatives established by the Company.

Note 2 – Summary of Significant Accounting Policies – Continued

Technology Fee Revenue

Franchisees are required to pay $25 per week and are due weekly.

Point-Of-Sale (POS) System Subscription Fee

Franchisees are required to pay $438 per month for use of the POS system.

Pre-Opening Services

Pre-opening services include training and general assistance. The Company has adopted the franchisor practical expedient Accounting Standards Update (ASU) 2021-02, Franchisors – Revenue from Contracts with Customers (Subtopic 952-606), which allows the Company to treat pre-opening services as distinct from one another. Training is provided to the franchisee at no additional cost unless additional training is required. Additional training fees are recognized when the service is provided. Pre-opening assistance is provided to the franchisee as needed, and recognized when the service is charged.

Other Non-Recurring Fee Revenue

The Company also reserves the right to charge franchisees for various non-recurring services. Non-recurring services are recognized when the service is charged.

Income Taxes – The Company's taxable status, as determined by management, is a pass-through entity and the Company has no recorded liability for uncertain tax positions. Therefore, no provision for income tax is included in the financial statements. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Fair Value of Financial Instruments – The recorded accounts receivable, accounts payable, related party accounts payable, and accrued payroll taxes approximate fair value due to the short-term nature of the financial instruments.

Use of Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Leases – The Company has an operating lease for office space. The Company assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term. As the lease does not provide an implicit rate, the Company elected to use the risk-free based on the information available at the commencement date in determining the present value of lease payments. The lease has a remaining lease term of approximately 2 years, which includes an option to extend the lease for 1 year. The lease includes escalations of payment amounts throughout the lease term. The exercise of lease renewal options is at the Company's sole discretion. The depreciable life of assets are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Note 2 – Summary of Significant Accounting Policies – Continued

Recently Adopted Accounting Standards – In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842;* ASU 2018-10, *Codification Improvements to Topic 842, Leases;* ASU 2018-11, *Leases (Topic 842): Targeted Improvements;* ASU 2018-20, *Narrow-scope Improvements for Lessors;* and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet.

During the period ended December 31, 2023, the Company adopted Accounting Standards Update (ASU) No. 2016-02, *Leases,* which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. As a result of implementing ASU No. 2016-02, the Company recognized a right-of use asset and lease liability of $47,474 on its balance sheet as of December 31, 2023. The adoption did not result in a significant effect on amounts reported in the statement of operations and members' equity (deficiency) for the period ended December 31, 2023.

New Accounting Standard – In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326).* Topic 326 aims to replace the incurred loss impairment methodology under current GAAP with a methodology that reflect expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Topic 326 was subsequently amended by ASU 2022-02, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures;* ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses;* 2019-10, *Financial Instruments – Credit Losses (Topic 326),* Derivatives and Hedging (Topic 815), and Leases (Topic 842); and ASU 2019-05, *Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief.* The Company was incorporated January 22, 2023, therefore, Topic 326 did not result in any material adjustments to balance sheet accounts, net loss, or retained earnings (deficit).

Note 3 – Franchising

The Company grants franchise licenses to prospective franchisees. The initial term of each license begins on the effective date of the franchise agreement and ends on the tenth anniversary thereof. Upon expiration of the initial term, and subject to certain requisites, the franchisee has the option to renew the franchise agreement for additional ten-year periods.

There were 21 franchisees sold during the period ended December 31, 2023. Thirteen franchisees commenced principal operations, and no franchises closed during the period ended December 31, 2023. There was one franchise sold during the year ended December 31, 2022 that commenced operations during 2023.

Note 4 – Leasing Activities

The following summarizes the line items in the balance sheets which include amounts for operating leases as of December 31, 2023:

Operating Lease:	
Right-of-use asset	$ 43,692
Operating lease liability - current	22,822
Operating lease liability - long-term	21,020
Total operating lease liability	$ 43,842

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023:

Weighted Average Remaining Lease Term (in years)	
Operating lease	1.83
Weighted Average Discount Rate	
Operating lease	4.95%

The maturities of lease liabilities as of December 31, 2023 were as follows:

Periods Ending December 31,	
2024	$ 24,300
2025	21,500
Total lease payments	$ 45,800
Less: interest	1,958
Present value of lease liability	$ 43,842

Total lease expense for the year ended December 31, 2023 was $7,395 and was recorded as part of operating expenses on the statement of operations. Included in total lease costs were short-term lease expenses totaling $3,245.

As of December 31, 2023, the Company has no additional operating and finance leases that have not yet commenced.

Note 5 – Related Party Transactions

As of December 31, 2023 and 2022, the Company had $12,578 and $4,770, respectively, in accounts payable due to related parties.

Note 6 – Subsequent Events

Management has evaluated all subsequent events through May 24, 2024, the date the financial statements were available to be issued and determined that no material subsequent events have occurred.

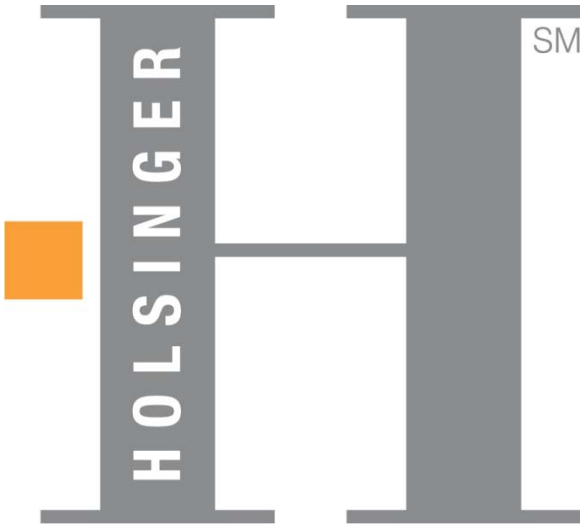
Outside the box. Within the lines.℠

Financial Statements

PEARCE BESPOKE FRANCHISING, LLC

DECEMBER 31, 2023 AND 2022

PEARCE BESPOKE
A New Suiting Experience



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PEARCE BESPOKE FRANCHISING, LLC
DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To the Members
Pearce Bespoke Franchising, LLC
Huntersville, North Carolina

Opinion

We have audited the accompanying financial statements of Pearce Bespoke Franchising, LLC (a North Carolina Limited Liability Company), which comprise the balance sheet as of December 31, 2023 and 2022, and the related statements of operations and members' equity (deficiency) and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pearce Bespoke Franchising, LLC (the "Company") as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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MSI Global Alliance Independent Member Firm

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Holsinger P.C.

Wexford, Pennsylvania
May 24 2024

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PEARCE BESPOKE FRANCHISING, LLC
BALANCE SHEETS

ASSETS

	As of December 31, 2023	As of December 31, 2022
Current Assets:		
Cash	$ 170,147	$ 46,811
Accounts receivable	22,188	-
Deferred consulting fee	71,458	2,500
Total Current Assets	263,793	49,311
Deposits	2,198	-
Deferred Consulting Fee	619,728	22,500
Right-of-Use Asset - Operating Lease	43,692	-
Total Assets	$ 929,411	$ 71,811

LIABILITIES AND MEMBERS' EQUITY (DEFICIENCY)

Current Liabilities:		
Accounts payable	$ 80,525	$ 7,591
Related party payables	692	-
Accrued payroll and payroll taxes	23,621	5,339
Deferred franchise fee revenue	129,693	5,100
Operating lease liability - current	22,822	-
Total Current Liabilities	257,353	18,030
Deferred Franchise Fee Revenue	1,123,022	45,900
Operating Lease Liability, net	21,020	-
Total Liabilities	1,401,395	63,930
Members' Equity (Deficiency)	(471,984)	7,880
Total Liabilities and Members' Equity (Deficiency)	$ 929,411	$ 71,811

The accompanying notes are an integral part of this financial statement.

PEARCE BESPOKE FRANCHISING, LLC
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY (DEFICIENCY)

	Years Ended December 31,	
	2023	2022
Revenues:		
Initial franchise fees	$ 164,210	$ -
Equipment fees	168,000	-
Franchise revenues	153,238	36,593
Royalties	47,008	6,031
Rebates	40,079	426
Total Revenues	572,535	43,050
Operating Expenses	1,052,399	89,414
Net Income (Loss)	(479,864)	(46,365)
Members' Equity, Beginning	7,880	-
Contributions	-	54,245
Members' Equity (Deficiency), Ending	$ (471,984)	$ 7,880

The accompanying notes are an integral part of this financial statement.

PEARCE BESPOKE FRANCHISING, LLC
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2023	2022
Operating Activities:		
Net Loss	$ (479,864)	$ (46,365)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Net change in right-of-use asset	150	-
Changes in assets and liabilities:		
Accounts receivable	(22,188)	-
Deposits	(2,198)	-
Deferred consulting fee	(666,186)	(25,000)
Accounts payable	72,934	7,591
Accrued payroll taxes	18,282	5,339
Deferred franchise fee revenue	1,201,715	51,000
Net Cash Used in Operating Activities	122,645	(7,434)
Financing Activities:		
Related party payables	692	-
Member contributions	-	54,245
Net Cash Provided by Financing Activities	692	54,245
Increase in Cash	123,337	46,811
Cash - Beginning of Period	46,811	-
Cash - End of Period	$ 170,147	$ 46,811
Supplemental Disclosure of Cash Flow Information:		
Lease assets obtained in exchange for new lease obligations	$ 47,474	$ -

The accompanying notes are an integral part of this financial statement.

Note 1 – Nature of Planned Operations

Nature of Operations – Pearce Bespoke Franchising, LLC (the "Company"), incorporated under the laws of North Carolina on November 5, 2021, offers franchises the operation of a mobile unit under the Pearce Bespoke™ mark ("Mobile Franchise"). A Mobile Franchise is a mobile unit from which the franchisee will sell quality custom men's and women's clothing and accessories.

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Management has evaluated all subsequent events through May 24, 2024, the date the financial statements were available to be issued and determined that no material subsequent events have occurred.

EXHIBIT B

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

List of State Regulatory Administrators

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

LIST OF STATE ADMINISTRATORS	
CALIFORNIA Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**CONNECTICUT** State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**MARYLAND** Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	**NORTH DAKOTA** North Dakota Insurance & Securities Department 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-2910
OREGON Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
WASHINGTON Department of Financial Institutions Securities Division, P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

List of Agents for Service of Process

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

LIST OF STATE AGENT FOR SERVICE OF PROCESS	
CALIFORNIA Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**CONNECTICUT** Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** Illinois Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA Indiana Secretary of State Franchise Section 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**MARYLAND** Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** Minnesota Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK Secretary of State 99 Washington Avenue, Albany, NY 12231 (518) 472-2492	**NORTH DAKOTA** North Dakota Insurance Commissioner 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-2910
OREGON Secretary of State Corporation Division - Process Service 255 Capitol Street NE, Suite 151 Salem, OR 97310-1327 (503) 986-2200	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON Director, Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	**WISCONSIN** Administrator, Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT C

FRANCHISED OUTLETS

LIST OF CURRENT FRANCHISEES

As of December 31, 2025

State	City	Address	Phone Number	Email	Owner Entity	Number of Territories
AL	Mobile	7959 Palm Park Ln. Baton Rouge LA 70809	205-919-2949	npearce@pearcebespoke.com	Nathan Pearce, LLC	2
AL	Birmingham	413 Half Moon Bend, Birmingham, AL 35206	205-907-9697	cloveless@pearcebespoke.com	Magic Thread LLC	2
CA	San Francisco	1460 Mission St. San Francisco, CA 94103	925-588-9183	rmogin@pearcebespoke.com	RM Enterprises LLC	1
CA	Fremont	40143 Spady St. Fremont, CA 94538	201-665-8376	ngautam@pearcebespoke.com	Sunfluential Inc.	3
CA	San Diego	4123 Stonebridge Lane, San Diego, CA 92091	760-889-1224	tcopeland@pearcebespoke.com	Ocean Ranch Corp.	2
CAN	Montreal	603 Avenue Saint-Germain, Outremont Quebec H2V 2V7	514-865-8103	smina@pearcebespoke.com	8408211 Canada Inc.	5
CAN	Montreal	603 Avenue Saint-Germain, Outremont Quebec H2V 2V7	514-865-8103	smina@pearcebespoke.com	8408211 Canada Inc.	3
DC	Washington DC	2770 Brooke Rd, Stafford, VA 22554	301-758-9945	amongeon@pearcebespoke.com	Potomac Custom Apparel, LLC	1
FL	Fort Lauderdale	419 Southeast Second St, Apt 3118, Fort Lauderdale, FL 33310	412-736-7222	rhanus@pearcebespoke.com	Lauderdale Custom Clothing LLC	1
FL	Palm Beach	419 Southeast Second St, Apt 3118, Fort Lauderdale, FL 33310	412-736-7222	rhanus@pearcebespoke.com	Palm Beach Custom Clothing LLC	1
FL	Tampa	1926 W Fig St. Tampa, FL 33606	516-322-7518	emogelegsky@pearcebespoke.com	Mogel Clothier Corp.	1
FL	Jacksonville	603 Avenue Saint-	514-865-8103	smina@pearcebespoke.com	Cynrgy Capital	1

		Germain, Outremont Quebec H2V 2V7			Inc.	
FL	Pensacola	7959 Palm Park Ln. Baton Rouge LA 70809	205-919-2949	npearce@pearcebespoke.com	Nathan Pearce, LLC	1
FL	Coral Gables	935 Bella Vista Ave. Coral Cables, FL 33156	949-524-5605	mneonakis@pearcebespoke.com	MN Bespoke, LLC	1
GA	Atlanta	3651 Peachtree Pkwy Suite E151 Suwanee Georgia 30024	917-442-9729	hmodesto@pearcebespoke.com	B&B Custom Suits, LLC	2
GA	Athens	3651 Peachtree Pkwy Suite E151 Suwanee Georgia 30024	917-442-9729	hmodesto@pearcebespoke.com	B&B Custom Suits, LLC	1
IL	Naperville	335 Gillett St, Sugar Grove, IL 60554	847-650-0816	jhousward@pearcebespoke.com	Housewa rd LLC	1
IL	Chicago	2403 Pennington Place, Valparaiso, IN 46383	773-551-2216	ckaleth@pearcebespoke.com	CK Clothing	2
IL	Barrington	2427 Trailside Ln, Wauconda, IL 60084	847-778-0313	kmckay@pearcebespoke.com	Boss and Sons Enterpris es	1
IN	Indianapolis	9908 Dupont Lakes Dr Fort Wayne, IN 46825	260-258-6646	tthomas@pearcebespoke.com	Thomas Collective LLC	2
LA	Baton Rouge	7959 Palm Park Ln. Baton Rouge LA 70809	205-919-2949	npearce@pearcebespoke.com	Nathan Pearce, LLC	4
MA	New Bedford	15 Harvey Lane, Somerset, MA 02725	508-493-8794	emederios@pearcebespoke.com	Southcoa st Bespoke	2
MI	Detroit	54217 Scarboro Way, Shelby Township, MI 48316	760-889-1224	jhakim@pearcebespoke.com	Arcos LLC	1
MS	Biloxi	7959 Palm Park Ln. Baton Rouge LA 70809	205-919-2949	npearce@pearcebespoke.com	Nathan Pearce, LLC	1
NC	Charlotte	132 Danvers Road, Greenville, SC 29607	864-993-6117	wcarson@pearcebespoke.com	Carson Custom Clothiers LLC	2

NC	Charlotte	132 Danvers Road, Greenville South Carolina 29607	864-993-6117	wcarson@pearcebespoke.com	Carson Custom Clothiers	2
NV	Las Vegas	3960 Howard Hughes Parkway Suite 500 Las Vegas, NV 89169	206-856-6168	jwigfall@pearcebespoke.com	ViFall Group LLC	4
NY	Financial District	603 Avenue Saint-Germain, Outremont Quebec H2V 2V7	514-865-8103	smina@pearcebespoke.com	Cynrgy Capital Inc.	2
OR	Portland	15945 SW Shearwater Ct, Portland, OR 97007	917-817-5923	rberkley@pearcebespoke.com	AJA investment Group LLC	1
SC	Charleston	4 River Beach Way Charleston SC 29407	843-810-7398	manoli@pearcebespoke.com	Charleston Bespoke, LLC	1
SC	Greenville	1733 Heritage Park Rd Charleston, SC 29407	843-200-5069	brudisill@pearcebespoke.com	SuitsMe, LLC	1
TN	Nashville	899 Newington Street, Collierville, TN 38017	901-633-8886	sleggett@pearcebespoke.com	Leggett Outfit Inc.	2
TX	Arlington	1421 5th Street, Argyle Texas 76226	817-919-0709	hcarter@pearcebespoke.com	DFW Bespoke Group, LLC	3
TX	Plano	1716 Throwbridge Lane, Plano, TX 75023	214-347-9798	billm@pearcebespoke.com	The Plano TX Tailors LLC	1
TX	Frisco	605 Forefront Ave, Celina TX 75009	214-347-9798	billm@pearcebespoke.com	Threads to Suits LLC	1
TX	Dallas	241 Richardson, TX 75081	228-217-2888	jhart@pearcebespoke.com	Tailor Fits, LLC	2
TX	Austin	1810 Cattle Dr Cedar Park TX 78613	5124311496	rbokins@pearcebespoke.com	Calixas Investment Group, LLC	1
TX	Fort Worth	11211 Leonidas Horton Rd Conroe, TX 77304	731-471-1795	awilkes@pearcebespoke.com	Tailored Royalty LLC	1
UT	Salt Lake City	331 w Parrish Ln. Ste 111, Centerville, UT 84014	415-314-6751	jdefires@pearcebespoke.com	Wasatch Bespoke Tailors	3

NOT YET OPENED FRANCHISES

FL	Orlando	603 Avenue Saint-Germain, Outremont Quebec H2V 2V7	514-865-8103	smina@pearcebespoke.com	Shafik Mina	8408211 Canada Inc.	Not Open
NJ	Jersey City	603 Avenue Saint-Germain, Outremont Quebec H2V 2V7	514-865-8103	smina@pearcebespoke.com	Shafik Mina	8408211 Canada Inc.	Not Open

FORMER FRANCHISEES

FL	St. Petersburg	105 22nd Street W, Bradenton, FL 34205	941-544-3879	jlevin@pearcebespoke.com	NA	1
OK	Tulsa	111 East I-65 Service Road South, Suite 104-1014, Mobile, AL 36606	251-278-8270	dmartin@pearcebespoke.com	Southern Gentleman Lifestyle, LLC	1
TX	Fort Worth	111 East I-65 Service Road South, Suite 104-1014 Mobile, AL 36606	251-278-8270	dmartin@pearcebespoke.com	Southern Gentleman Lifestyle, LLC	1
TX	Southlake	3616 LadyBank The Colony, CA 94538	469-877-0451	rkandasamy@pearcebespoke.com	Zenplus Clothings LLC	2

EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS

The Operations Manual is still under development; therefore, these numbers are estimates based on what has currently been developed and are subject to change.

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Inventory Management	8
Employee Management	5
Advertising & Marketing	5
Loss Prevention	2
Visual Merchandising	5
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Total Pages	49

EXHIBIT E

FRANCHISE AGREEMENT

PEARCE BESPOKE

FRANCHISE AGREEMENT

PEARCE BESPOKE FRANCHISING, LLC

and

_____

Franchisee

Effective Date: _____

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PEARCE BESPOKE FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into as of the date agreed upon and listed in Attachment A of this Agreement (the "Effective Date"), by and between Pearce Bespoke Franchising, LLC, a North Carolina limited liability company ("Franchisor"), and the individual or entity identified as the Franchisee in Attachment A of this Agreement ("Franchisee").

BACKGROUND:

A. Through the expenditure of considerable time, effort, and money, Franchisor has developed unique and distinctive businesses which feature high-quality custom men's and women's clothing ("Pearce Bespoke Franchises"). Franchisor uses and licenses certain trademarks, including Pearce Bespoke™, and may hereafter adopt, use, and license additional or substitute trademarks, service marks, logos, and commercial symbols in connection with the operation of Pearce Bespoke Franchises (collectively, the "Marks"). Pearce Bespoke Franchises use Franchisor's methods, procedures, standards, specifications, and the Marks (all of which are collectively referred to as the "Business System"), which Franchisor may periodically improve, further develop, or otherwise modify.

B. Franchisee has had an adequate opportunity to be thoroughly advised of the provisions of this Agreement and Franchisor's Disclosure Document and has had sufficient time and opportunity to evaluate and investigate the Business System and the procedures and financial requirements associated with the Business System as well as the competitive market in which it operates.

C. Franchisee desires to operate a Pearce Bespoke Franchise which will conform to the uniform requirements and brand standards of the Business System.

AGREEMENTS:

The Franchisor and Franchisee agree as follows:

1. **GRANT OF FRANCHISE; FRANCHISED TERRITORY**

A. Grant of Franchise.

Subject to the provisions stated below, Franchisor grants to Franchisee a personal and non-exclusive license and franchise to operate a Pearce Bespoke Franchise using the Marks as designated by Franchisor from time to time (the "Pearce Bespoke Franchise") in conformity with Franchisor's Business System within the area specified in ATTACHMENT A - FRANCHISEE SPECIFIC TERMS attached hereto. The specified area identified in ATTACHMENT A - FRANCHISEE SPECIFIC TERMS is referred to as (the "Franchised Territory"). Franchisee will operate the Pearce Bespoke Franchise under the Business System in strict compliance with the provisions of this Agreement and only within the Franchised Territory.

B. Franchisee's Protected Area; Rights Reserved by Franchisor.

Franchisee acknowledges that (i) the Territory was mutually agreed upon by Franchisor and Franchisee, (ii) prior to the Effective Date hereof, Franchisee conducted Franchisee's own due diligence with regard to potential customers and other matters relative to the operation of the Pearce Bespoke Franchise in the Territory, and (iii) Franchisor's agreement to the Territory is permission only, does not constitute a representation, promise, warranty, or guarantee, express or implied, by Franchisor that the Pearce Bespoke Franchise operated therein will be profitable or otherwise successful, and cannot, and does not, create any liability for Franchisor. During the term of this Agreement, Franchisor will not establish for its own account or franchise others the right to operate a Pearce Bespoke Franchise within the Franchised Territory. Franchisee understands, however, that Franchisor, its affiliates, or their licensees, may sell any products or services under trademarks or

other commercial symbols other than the Marks inside or outside of the Franchised Territory. Notwithstanding anything provided for in this Agreement, Franchisor, its affiliates, or their licensees, also may sell products or services under the Marks inside or outside of the Franchised Territory: through other channels of distribution, including the internet (or any similar form of electronic commerce developed in the future) as long as such activities are not for the sole benefit of Franchisor but provide some benefit to Pearce Bespoke franchisees in general. The rights and privileges granted to Franchisee under this Agreement are personal in nature and may not be transferred or altered, without the prior written consent of the Franchisor. Franchisee will not relocate the Pearce Bespoke Franchise without Franchisor's prior written consent and will not open any other Pearce Bespoke Franchises in the Franchised Territory. Franchisee will not have the right to sub franchise or sublicense any of its rights under this Agreement. Termination or expiration of this Agreement shall constitute a termination or expiration of the rights and license granted herein to Franchisee.

1. *Encroachment Fee.*
   Franchisee may not advertise, market, solicit, sell, or service customers outside its Franchised Territory ("Non-Exclusive Customers"). Franchisee must seek Franchisor's prior written consent prior to servicing a Non-Exclusive Customer. Notwithstanding the foregoing, Franchisee must pay either Franchisor or the incumbent franchise owner an encroachment fee of twenty percent (20%) of the Gross Sales attributed to the Non-Exclusive Customers sales outside of the Franchised Territory ("Encroachment Fee").

2. *National Accounts*.
   Franchisor may manage or provide services directly to strategic VIP, national and/or regional accounts that require centralized overview and support, and for purposes of responding to requests and referrals for services through the franchise system, managing those relationships, answering calls placed to the toll-free number or a national account on-line access system. To participate in any such national, regional, or VIP accounts, Franchisee must be in good standing with Franchisor. In that case, Franchisor may charge Franchisee a fee between one percent and ten percent (1%-10%) of Gross Sales generated by the account. The purpose of the fee is to defray the cost of providing national/regional account management services to the franchise system. Franchisor does not plan to charge a fee for simple referrals where it does not directly manage the relationship with the customer, but it reserves the right to do so.

3. *Alternative Channels of Distribution*.
   Franchisor, its affiliates, or their licensees reserve the right to market and sell products or services under the Marks at all conventions, conferences, trade shows, fashion shows, and trade centers, both domestically and internationally, solely or jointly, with any franchisees. Franchisee may not use alternative channels of distribution, including the internet, catalog sales, telemarketing, or other direct marketing methods to make sales inside or outside the Franchised Territory unless specifically authorized in writing by the Franchisor.

C. Restricted Rights; Rights Reserved by Franchisor.
Franchisee shall not, without Franchisor's prior written consent, use, otherwise employ, or permit the use or employment of the brand standards or the Marks except in the Franchised Territory and in accordance with the provisions of this Agreement, nor otherwise employ or permit the use or employment of any trade name, trade mark, service mark, or commercial symbol other than the Marks in connection with Pearce Bespoke Franchise. Any and all rights in the Franchised Territory not specifically granted to Franchisee are expressly reserved to Franchisor. For clarification, Franchisee shall not have the right to itself or through any other party, whether or not in association with the Marks:

a. To create or offer for sale, any kind of good or service, except that which is specifically provided by or authorized by the Franchisor;

b. To create or offer for sale any kind of goods or services not prescribed by the Franchisor without Franchisor's prior written approval;

c. To open any kind of location-based facility, retail store, or any other type of facility, without Franchisor's prior written approval;

d. To conduct services or sell products in connection with the Pearce Bespoke Franchise other than those services and products authorized for sale by the Franchisor or supplied by its authorized suppliers;

e. To enter into discussions with potential sponsors or promotional partners affecting business outside of the Franchised Territory, without the prior written consent of Franchisor;

f. To publish or use a website in connection with the Pearce Bespoke Franchise, other than a website provided and supported by or through Franchisor or its designee;

g. To create, sell, offer or otherwise distribute marketing materials, other than Franchisor provided materials, without the prior written approval by Franchisor.

2. **TERM OF FRANCHISE; RENEWAL RIGHTS**

A. Term.

The term of this Agreement will be for ten (10) years commencing on the Effective Date, unless terminated sooner in accordance with the terms hereof.

B. Renewal.

Franchisee will have the right to renew its Pearce Bespoke franchise for the Franchised Territory for two (2) successive five (5) year terms, provided Franchisee meets the following conditions:

1. Franchisee has given Franchisor written notice at least one hundred eighty (180) days before the end of the term of this Agreement of its intention to renew; and

2. Franchisee has complied with all of the material provisions of this Agreement, including the payment of all monetary obligations owed by Franchisee to Franchisor and its affiliates and suppliers, and has complied with Franchisor's material operating and brand standards and procedures and meets all current brand standards during the term of the Franchise Agreement; and

3. Franchisee has at its expense made such reasonable capital expenditures necessary to replace and modernize the supplies, items, and custom equipment in Franchisee's business so that Franchisee's business reflects the then current requirements of a new Pearce Bespoke Franchise; and

4. At Franchisor's discretion, assist Franchisor or its designee with an audit of the Pearce Bespoke Franchise, which shall be conducted by Franchisor or its designee, including without limitation, a financial audit and an operational audit to determine their compliance with then current brand standards. Any deficiencies identified during the audit must be satisfied prior to the expiration of the then current term. If any audit reveals any deficiencies the costs incurred by Franchisor in connection with any such audit are payable upon demand by Franchisee prior to the expiration of the then existing term, including any audit costs, transportation, lodging, meals, and any other expenses incurred.

5. Franchisee has paid a Renewal Fee equal to the greater of 10% of the then-current franchise fee to Franchisor at least thirty (30) days before the expiration of the initial (and any renewal) term of this Agreement expires; and

6. Execute prior to the expiration of the then existing term the then-current Franchise Agreement, provided, however, that Franchisee will be required to pay the Renewal Fee in lieu of the Initial Franchise Fee stated in such Franchise Agreement, and that such Franchise

Agreement may not contain any further rights of renewal, but may contain continuing rates and advertising contributions (which may be different than those contained in this Agreement), and an altered Franchised Territory; and

7. Execute prior to the expiration of the then existing term a general release in favor of Franchisor, its Affiliates and related individuals and entities, from any claims arising before or during the term hereof; and

8. If Franchisee fails to timely meet any of the renewal conditions within the applicable timeframes, Franchisor may choose, in its sole discretion and without any obligation to do so, to permit Franchisee to renew, subject to the payment to Franchisor of a late renewal administration charge of Five Hundred Dollars ($500). This charge is in addition to the Renewal Fee described above.

3. **OWNERSHIP AND USE OF MARKS**

A. Ownership.

Franchisor is the exclusive owner of all right, title, and interest in and to the Marks and Business System, and all past, present, or future goodwill of Franchisee's Pearce Bespoke Franchise and of the business conducted within the Franchised Territory that is associated with or attributable to the Marks. Franchisee's use of the Marks and the Business System will inure to the benefit of Franchisor. Franchisee disclaims all right, title, and interest in or to such goodwill and the Marks and the Business System and acknowledges, and agrees, that such goodwill and the Marks and the Business System are the exclusive property of Franchisor. Any and all improvements by Franchisee relating to the Marks and Business System will become the sole property of Franchisor who has the exclusive right to register and protect all such improvements in its name. Franchisee will execute any document required by Franchisor to transfer or assign any such improvements relating to the Marks and the Business System to Franchisor.

B. Use.

Franchisee's right to use and identify with the Marks and Business System applies only to the operation of the Pearce Bespoke Franchise within the Franchised Territory and exists concurrently with the term of this Agreement and only so long as Franchisee is in complete compliance with Franchisor's quality and operating standards. Franchisee will have the right to use the Marks and Business System only in the manner Franchisor directs and approves in writing. Franchisee will not have or acquire any rights in any of the Marks or Business System other than the right of use as governed by this Agreement. If, in the judgment of Franchisor, Franchisee's acts infringe upon or harm the goodwill, standards of uniformity or quality, or business standing associated with the Marks and Business System, Franchisee will immediately, upon written notice from Franchisor, modify or discontinue its use of the Marks and Business System in the manner Franchisor directs in writing. Franchisee will not, during or after the term of this Agreement, do anything directly or indirectly which would infringe upon, harm, mislead, or contest Franchisor's rights in the Marks or Business System, or the goodwill associated with the Marks or the Business System. Franchisee cannot advertise any liquidation or going-out-of-business sales or similar types of activity.

C. Promotion.

Franchisee will operate the Pearce Bespoke Franchise so that it is clearly identified and advertised as a Pearce Bespoke Franchise. The style, form, and use of the words "Pearce Bespoke" in any advertising, written materials, or supplies must, however, have Franchisor's prior written approval, which approval will not be unreasonably withheld. Franchisee will use the name "Pearce Bespoke" and the other Marks which now or hereafter may form a part of the Business System, on all paper supplies, business cards, letterhead, envelopes, uniforms, advertising materials, signs or other articles in the identical combination and manner as Franchisor may require in writing. Franchisee will comply with all trademarks, trade name, service mark, and copyright notice marking requirements.

D. Identity.

Franchisee will not use the words "Pearce Bespoke" in its corporate or partnership name. Franchisee will clearly indicate on its business checks, purchase orders, business cards, receipts, promotional materials, and other written materials that Franchisee is the owner of the Pearce Bespoke Franchise,

and that Franchisee is a Pearce Bespoke franchisee. Franchisee will display a sign which is clearly visible to the general public indicating that the Pearce Bespoke Franchise is independently owned and operated.

E. Substitutions.

If at any time Franchisor determines it advisable or necessary, Franchisee will, upon receiving written notice from the Franchisor, immediately, at is expense, make such changes and amendments or discontinuation of or to any or all of the Marks as Franchisor may require. Franchisee will not make any changes, amendments, or discontinuations of or to the use of any of the Marks and Business System unless directed by Franchisor in writing.

F. Litigation.

Franchisee will not, without Franchisor's prior written consent, defend, or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. Franchisee will, however, immediately notify Franchisor of any claims or complaints made against Franchisee respecting the Marks and will, at its expense, cooperate in all respects with Franchisor in any court or other proceedings involving the Marks. Franchisor will pay the cost and expense of all litigation Franchisor incurs, including attorneys' fees, specifically relating to the Marks. Franchisor and its legal counsel will have the right to control and conduct any litigation relating to the Marks.

G. Crisis Communication.

Franchisor will have the sole and absolute discretion to determine what steps will be taken in instances of a crisis that impacts the Pearce Bespoke brand and may cause harm or injury to the Pearce Bespoke Marks, Business System, reputation, or image.

4. **INITIAL FRANCHISE FEE**

Franchisee will pay Franchisor a non-refundable Initial Franchise Fee equal to the amount listed in ATTACHMENT A - FRANCHISEE SPECIFIC TERMS of this Agreement, which will be fully earned and payable on the date of this Agreement. The Initial Franchise Fee payable by Franchisee is payment to Franchisor for the costs that it will incur to get Franchisee into business including costs Franchisor incurs for training, territory evaluation, business overhead costs, travel costs, and for the other initial services Franchisor provides hereunder.

Based upon Franchisor's financial condition, the Illinois Office of the Attorney General has required a Surety Bond be executed and on file with them in the amount of the initial (and development) fee multiplied by the number of franchises to be sold in Illinois.

5. **ROYALTY FEE**

A. Royalty Fee.

Franchisee will, for the term of this Agreement, pay to Franchisor a Royalty Fee equal to the greater of: (i) Based on annual Gross Sales, calculated as follows: ten percent (10%) on annual Gross Sales from $0 to $199,999; nine percent (9%) on annual Gross Sales from $200,000 to $399,999; eight percent (8%) on annual Gross Sales from $400,000 to $599,999; and seven percent (7%) on annual Gross Sales of $600,000 and above ("Gorss Sales" as defined below), or (ii) a mandatory Minimum Weekly Royalty Fee (as defined in Section 5(B) below). Franchisee's obligation to pay Franchisor the Royalty Fee under the terms of this Agreement will remain in full force and effect until this Agreement has expired or is terminated or transferred under the provisions herein.

B. Mandatory Minimum Performance Standards.

Beginning on the first week of operations, Franchisee must achieve specified Gross Sales to retain the Franchised Territory under the Franchise Agreement ("Minimum Performance Standard(s)"). Following the execution of the Franchise Agreement, the Minimum Performance Standard are as follows:

Minimum Performance Standards	
Period Following Original Opening Date	**Minimum Gross Sales**
Year 1	$50,000
Year 2	$75,000
Year 3	$100,000
Year 4 +	10% increase over previous year minimum

Franchise will pay a Minimum Weekly Royalty Fee as set forth in the table below and in accordance with Section 5(C):

Minimum Weekly Royalty Payment	
Period Following Original Opening Date	**Minimum Royalty Payment**
Year 1	$100 per week
Year 2	$150 per week
Year 3 and beyond	$200 per week
Year 4 +	10% increase over previous year minimum

C. Payment.

On a weekly basis, Franchisor will calculate the Gross Sales, Net Sales, and Credit Card Sales (as defined below) generated from the operation of Franchisees Pearce Bespoke Business. Certain fees are payable based upon Gross Sales or Credit Card Sales. On a weekly basis, Franchisor will provide a report to Franchisee, on the Gross Sales, Net Sales, and Credit Card Sales from Franchisee's Business. Franchisor will pay Franchisee, by EFT, ACH, direct deposit, or a similar means, the Net Sales generated from Franchisee's Business during the previous calendar week minus: (i) all fees, including Royalty Fee, Brand Fund Fee, POS System Subscription Fee, Technology Fee and Accounting Software Fee as detailed in and permitted by this Agreement; (ii) amounts owe by Franchisee to Franchisor or its affiliates for purchases of supplies permitted by and in accordance with the terms of this Agreement; and (iii) any other monetary obligation that Franchisee has to Franchisor or its affiliates, or any approved suppliers that Franchisor has been made aware of prior to the date that Franchisor would have to make a payment to on Franchisee's behalf, which is permitted by and in accordance with the terms of this Agreement (the "Franchisee Share").

D. Gross Sales.

The term "Gross Sales" means the total amount of all revenues Franchisee receives from the sale of goods and services, whether for cash or by check, credit card, or trade, in connection with the Pearce Bespoke Franchise, less customer refunds and returns. Gross Sales will include any sales permitted through the internet and wholesale transactions. Gross Sales will not include sales tax collected from customers and actually paid to appropriate tax authorities.

E. Net Sales.

The term "Net Sales" means Gross Sales minus the amount of any documented refunds, chargebacks provided to customers or retailers in good faith.

F. Credit Card Sales.

The term "Credit Card Sales" means all revenue transacted from or during the operation of your business including, but not limited to, service fees, product sales, business interruption insurance, and all amounts that you receive, whether from cash, check, EFT, ACH, wire transfer, credit and debit card, barter, exchange, trade credit, loyalty program points, gift card redemptions, or other credit transactions.

G. Currency

Unless expressly provided otherwise or Franchisor consents in writing to the contrary, all amounts due shall be paid in the designated amount in United States Dollars and all references to any amounts shall be deemed to be references to United States Dollars.

6. **ADVERTISING AND MARKETING**

A. Cooperative Advertising.

Franchisee will participate in, support, and contribute a proportionate share, but no more than an amount equal to five percent (5%) of the Gross Sales for their Pearce Bespoke Franchise, to the cost of cooperative advertising programs designated by Franchisor. Franchisor reserves the right to designate advertising cooperative markets, to establish advertising cooperatives, and to establish the bylaws, policies, and other rules under which such cooperatives will operate. If an advertising cooperative is formed and the Franchisee does not participate, Franchisee is still obligated to pay the advertising cooperative fees required of members and to abide by the cooperative's bylaws, policies, and other rules.

B. Local Marketing Expenditures.

To the extent Franchisee's annual contributions to cooperative advertising programs described in Section 6(A) above are less than five percent (5%) of the Gross Sales for the Pearce Bespoke Franchise, or if the Franchisee cannot participate in any regional cooperative advertising program because such a program has not been established in Franchisee's geographic area, Franchisee will then be obligated to conduct advertising and marketing activities in Franchisee's local geographic area; provided that Franchisee's local marketing activities will not reduce, eliminate, or otherwise impact Franchisee's obligations under Section 6(A) above. Franchisee's local marketing expenditures will include advertising, merchandising, sales promotion, and other forms of marketing at the local level, including the mandatory use of the vendor designated by Franchisor for website management and search engine optimization (SEO) services, which is currently approximately $400 per month.

Within thirty (30) days following the end of each calendar quarter, Franchisee will provide Franchisor with an accounting of the monies that it has spent for approved regional cooperative advertising and local marketing for the preceding calendar quarter. If Franchisee has failed to spend at least five percent (5%) of its Gross Sales for the calendar quarter for approved regional cooperative advertising or local marketing, Franchisee may be required to deposit with Franchisor the difference between what it should have spent for advertising and marketing during the calendar quarter and what it actually spent for advertising and marketing during the calendar quarter. Franchisor will spend such amount for any type of advertising or marketing that Franchisor deems appropriate for Franchisee's business, although Franchisor will use reasonable efforts to spend such amounts in Franchisee's local geographic area.

C. Brand Fund Fee.

In addition to Franchisee's cooperative and local advertising obligations described in Section 6(A) and 6(B) above, Franchisee will pay Franchisor two percent (2%) of weekly Gross Sales. Franchisor reserves the right to increase the Brand Fund Fee up to three percent (3%) of Gross Sales upon thirty (30) days' notice. Franchisor will withhold this amount from the Franchisee Share, as detailed in Section 5(C).

The Brand Fund will have the characteristics and be operated according to the terms contained in this section. Franchisor has sole discretion over all matters relating to its operations and is solely responsible for its financial management. The Brand Fund will be accounted for separately and contributions may be used to pay for taxes related to the Fund and all administrative, accounting, audit, legal and other costs related to Fund activities and purposes and/or as authorized by the relevant Franchise Agreements. Franchisor will prepare and provide franchisees each calendar year a financial report of revenues and expenditures for the Brand Fund, which report may or may not be audited at Franchisor's discretion. The Brand Fund may be used as Franchisor considers appropriate, including for, but not limited to, the costs of preparing and conducting radio, television, electronic and print advertising campaigns in any local, regional or national medium; utilizing networking media social sites, such as Facebook, Twitter (x), Bluesky, Instagram, TikTok, YouTube, Threads, LinkedIn, and on-line blogs and forums; developing, maintaining, and updating a World Wide Web or Internet site for the System; direct mail advertising; deploying social networking promotional initiatives through online media channels; marketing surveys; employing advertising and/or public relations agencies to provide assistance; purchasing promotional items; conducting and administering promotions and "mystery shopper" program(s); implementation and use of customer relationship management software and solutions; and providing promotional and other marketing materials and services to the Pearce Bespoke franchises operating under the System. Franchisor is not required to spend any amount of the Fund in Franchisee's Franchised Territory. Franchisor may use a portion of the Brand Fund for the costs and overhead, if any, it incurs in activities reasonably related to the implementation of advertising and marketing programs for franchisees.

In implementing the Brand Fund, Franchisor has the right to spend in any fiscal year an amount greater or less than the aggregate contributions to the Fund in that year, and the Brand Fund may borrow from Franchisor or other lenders to cover Fund deficits. Franchisor can accumulate funds over time until such time as Franchisor determines in its sole discretion that sufficient funds are available to adequately conduct Fund activities as contemplated herein. Franchisor can cause the Fund to invest any surplus. Franchisor may, in its sole discretion, defer, waive and/or compromise claims for contributions to, and/or claims against or with respect to, the Fund and take legal or other action against any franchisee in default of its obligations and/or deny it access to programs, materials and/or other benefits funded by the Brand Fund. Franchisee acknowledges and agrees that Franchisor has no obligation to ensure that expenditures by the Brand Fund are or will be proportionate or equivalent to contributions to the Fund by franchisees operating in any geographic area, or that any franchisee will benefit directly, indirectly or in proportion to its contribution to the Fund. Any interest earned on Fund contributions will be remitted to the Brand Fund. Franchisor and its affiliates will not be liable for any act or omission in connection with the Brand Fund that is consistent with this Agreement. You acknowledge that the Brand Fund is not a "trust," and does not create and is not in the nature of a "fiduciary" or similar special arrangement.

Franchisor has the right to terminate the Brand Fund in its sole discretion. The Fund shall not be terminated, however, until all Fund contributions have been expended for purposes consistent with this section or returned to then current franchisees in good standing on a pro rata basis based on total Fund contributions made by each such franchisee in the twelve (12) months immediately preceding the termination of the Fund.

D. Future Advertising Programs.

Franchisee acknowledges and agrees that as the Pearce Bespoke franchise system continues to expand and mature, it will be necessary to revise Franchisee's advertising obligations. Franchisee therefore agrees that Franchisor may, upon thirty (30) days' written notice, increase Franchisee's minimum advertising expenditures (as described in Section 6(A) (and, if appropriate, Section 6(B))

above) up to a total of six percent (6%) of Franchisee's Gross Sales.

E. Approved Advertising and Marketing Materials.
Franchisee will use only approved advertising and marketing materials. If Franchisee desires to use any unapproved advertising or promotional materials bearing the name "Pearce Bespoke" or other Marks, Franchisee must obtain written approval from Franchisor before using any such materials.

F. Promotion.
Franchisee will use its best efforts to promote and advertise its Pearce Bespoke business and will participate in all advertising and promotional programs Franchisor establishes. Franchisee will participate, at its own expense, in the Pearce Bespoke national (electronic) gift card program and approved e-mail marketing and loyalty programs. Franchisee will have the right to advertise and sell its products at whatever prices Franchisee determines. Subject to applicable law, Franchisor may recommend minimum and maximum prices for products and services offer by Franchisee. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.

G. Media Placement.
Franchisee will use the approved vendors designated by Franchisor for broadcast media placement and online advertising for its pre-opening and first year marketing activities.

7. **FRANCHISOR'S OBLIGATIONS**

A. Pre-Opening:

Upon execution of the Franchise Agreement and for so long as Franchisee holds a Pearce Bespoke Franchise, subject to the terms of this Agreement, but prior to Franchisee's commencement of operations of the Pearce Bespoke Franchise, Franchisor shall:

a. Train Franchisee and its manager(s) as described in this Agreement;

b. Make electronically accessible all the specifications, approved Suppliers lists, approved supplies lists, extranet access and Manuals.

B. Opening Assistance.

Franchisor will assist in scheduling the opening of the Pearce Bespoke Franchise. Franchisee will not open or commence business operations until Franchisee has received written approval from Franchisor. Franchisor's approval may be withheld if Franchisee fails to meet minimum inventory requirements, training and/or marketing requirements or brand standards established by Franchisor. Franchisor will, at no charge, provide pre-opening assistance prior to Franchisee's Pearce Bespoke Franchise opening. Franchisor will also provide assistance with the Pearce Bespoke Franchise opening around the time of grand opening.

During the operation of Franchisee's business, Franchisor will:

(1) inspect the Pearce Bespoke Franchise as often as Franchisor deems necessary and provide written reports to Franchisee on operations;

(2) provide, upon the written request of Franchisee, advisory services pertaining to operation of Franchisee's business;

(3) periodically make available to Franchisee all changes, improvements and additions to the Business System to the same extent as made available to other franchisees;

(4) provide Franchisee with all supplements and modifications to the Manuals;

(5) develop and approve advertising and marketing materials;

(6) provide on-going training and support in the manner and to the extent Franchisor considers

appropriate;

(7) regulate quality standards and products throughout the network of the Pearce Bespoke Franchise; and

(8) provide negotiation of group rates for purchases of products and materials as Franchisor, in its sole discretion, deems necessary and appropriate;

Any evaluation or inspection Franchisor conducts is not intended to exercise, and does not constitute, control over Franchisee's day-to-day operation of the Business or to assume any responsibility for Franchisee's obligations under this Agreement.

C. Equipment, Supplies, and Inventory.

Franchisee agrees to use in the operation of the Pearce Bespoke Franchise only those service providers, manufacturers, brands or types of items, equipment (including, without limitation, a computer and point-of-sale (POS) system), and signs that Franchisor will designate and approve. Franchisee may purchase approved brands or types of items, equipment, and signs only from suppliers approved by Franchisor, which may include Franchisor or its affiliates. Franchisee further agrees to place or display at the Pearce Bespoke activity only such signs, emblems, lettering, logos, and display materials that are from time to time approved in writing by Franchisor, which approval may be given or withheld by Franchisor. Franchisee acknowledges and agrees that: (i) Franchisor or Franchisor's affiliate(s) may be the sole approved supplier(s) of certain products and services that Franchisee is required to purchase to operate the Pearce Bespoke Franchise; (ii) Franchisor and/or Franchisor's affiliate may receive payment from supplier(s) related to Franchisee's required purchases or leases, and (iii) any payments so received are for Franchisor's benefit only and may be used or applied in any manner determined by Franchisor in Franchisor's sole and absolute discretion.

D. Training.

Franchisor will provide a training program online, or at such other location Franchisor designates, to educate, familiarize, and acquaint Franchisee with the business of operating a Pearce Bespoke Franchise. The first portion of the training program will include instruction on general business issues related to the ownership of a privately-owned Pearce Bespoke business, such as, by way of example only, product knowledge, recruitment, business plan development, tech tools, point-of-sales systems, product purchasing, Franchisor's preferred vendor program, and other topics Franchisor may select. The duration of this portion will be at Franchisor's discretion but generally will be for one week and will be scheduled by Franchisor at its discretion. The second portion of the training program may include instruction on sales and marketing, computer operation, Pearce Bespoke Franchise management, and other topics Franchisor may select. The period of this session will be at Franchisor's discretion but generally will be for one week and will be scheduled by Franchisor. Franchisee (or such other trainees required by Franchisor) must successfully complete both sessions of the training program. If Franchisee (or such other trainees required by Franchisor) fails to successfully complete both sessions, he/she may be denied the right to manage Franchisee's business and Franchisor may terminate this Agreement pursuant to Section 15. Franchisee will be responsible for travel costs, room and board, the salaries, fringe benefits, and other expenses Franchisee and its employees and designated trainees incur in attending both sessions of the training program. If Franchisee requests, Franchisor may at its sole discretion provide Training at Franchisee's location, and Franchisee will be responsible for reimbursing Franchisor for the transportation costs, lodging costs, and other costs reasonably related to training at Franchisee's location, up to $5,000. Franchise and or all active clothiers working with Franchise are also required to attend Franchisor's certification training (the "Certification Training"), which may be held online or in person at a location designated by Franchisor. The anticipated cost of certification or recertification is approximated to be $199, which amount maybe changed from time to time.

E. Operations Manual.

Franchisor will provide Franchisee with an electronic copy of the Operations Manual and one or more other confidential manuals (collectively, the "Manuals") wherein Franchisor will describe its operational policies, standards, requirements, and practices as such things are modified and amended by Franchisor from time to time. The Manuals may also include computer software, information available on an

internet/extranet site and other electronic media that Franchisor may change from time to time. Franchisee will comply with all provisions of the Manuals. Franchisor reserves the right to revise the Manuals at any time.

F. Additional Initial Assistance.

Franchisor will assist Franchisee in the development of a business plan. Franchisor and Franchisee may also agree that Franchisor provide management assistance and other services, in addition to the usual initial assistance and supervision Franchisor provides to all franchisees, for additional agreed upon compensation.

8. **OPERATION OF THE FRANCHISEE'S BUSINESS**

The Marks and Business System licensed to Franchisee represent valuable goodwill distinctive of Franchisor's business and reputation. Franchisor will periodically develop uniform standards of quality and service regarding the business operations of the Pearce Bespoke Franchise so as to protect (for the benefit of all franchisees and Franchisor) the distinction, valuable goodwill, and uniformity represented and symbolized by the Marks and Business System. To ensure that all franchisees will maintain the uniform requirements and brand standards for goods and services associated with the Pearce Bespoke Franchises and with the Marks and Business System, Franchisee will maintain the uniformity and brand standards Franchisor reasonably requires for all products and services and agrees to the following provisions:

A. Managerial Responsibility.

During the term of this Agreement, the parties who have signed this Agreement on behalf of Franchisee will personally manage and operate Franchisee's business and will not, without Franchisor's prior written consent, delegate its authority and responsibility with respect to management and operation. If Franchisee is a corporate entity or a partnership, one individual will retain at least fifty percent (50%) of the equity and voting interest in such corporation or partnership and will be obligated to personally manage and operate the Franchisee's business.

B. Design and Appearance.

The design and appearance of the Pearce Bespoke Franchise, including signage, are part of the Business System. It is essential to the integrity of Franchisor's Business System that as great a degree of uniformity as possible be maintained among Pearce Bespoke franchisees. Without limitation to anything provided for in this Agreement, Franchisee agrees that only such signs, emblems, logos, lettering, and artwork as Franchisor may require or periodically provide will be displayed by the Pearce Bespoke Franchise. Franchisee must follow Franchisor's current standards regarding the design and appearance.

C. General Operation.

Franchisee will use the Marks and Business System in strict compliance with the standards, operating procedures, specifications, requirements, and instructions required of all Pearce Bespoke franchisees, which Franchisor may periodically amend and supplement. Any required standards exist to protect Franchisor's interests in the Business System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required standards generally will be set forth in the Operations Manual or other written materials. The Operations Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect Franchisor's interests in the Business System and Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

D. Corporate Representations. The principal designated on Attachment [insert # of Entity Interests Attachment] has full authority to communicate to Franchisor decision-making on behalf of Franchisee, notwithstanding any deadlock or tie-breaking mechanism set forth in the Franchisee entity's organizational documents ("Designated Principal"). All communications to Franchisor by the Designated Principal shall be binding upon the Franchisee entity and all Principals and such

communications may be relied upon by Franchisor, without the need for independent verification. Franchisee and all Principals shall indemnify and hold harmless Franchisor from any claims arising from Franchisor's reliance on communications by the Designated Principal.

E. Operation of Franchised Business Premises. Franchisee shall Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks. Franchisee shall comply with all applicable federal, state, and local telemarketing, telephone solicitation, do-not-call, text/SMS marketing, and related consumer protection laws, rules, and regulations applicable to the Franchised Business ("Telemarketing Laws"). Such Telemarking Laws include compliance with the Federal CAN-SPAM Act's general rules for commercial email, opt-out rules, and other communication messages and the Telephone Consumer Protection Act, as amended, and compliance with any registration, license, and/or permit requirements. Franchisor may at any time inspect, audit, and review Franchisee's advertising and telemarketing-related procedures, and Franchisee shall, at Franchisee's sole expense, implement any corrective actions that Franchisor's requires.

F. Products and Services.

Franchisee will sell only those categories of products and services Franchisor approves in writing and will offer for sale all categories of products and services required by Franchisor from time to time. Franchisee will conform to all quality and customer service standards Franchisor requires in writing. Franchisee will purchase only such types, models or brands of items, furniture, equipment, signs, and supplies that Franchisor approves for Pearce Bespoke as meeting its specifications and standards, including specifications and standards for quality, design, warranties, appearance, function, and performance. Franchisee acknowledges and agrees that such items shall be purchased only from sources, manufacturers, or suppliers approved in writing by Franchisor (which sources or suppliers may include Franchisor or affiliates of Franchisor). FRANCHISOR DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH FRANCHISOR'S (AND/OR AN AFFILIATE'S) SALE OF ANY GOODS, EQUIPMENT, FURNITURE, SIGNS, OR SUPPLIES TO FRANCHISEE. Franchisee agrees to execute any and all documents Franchisor reasonably requests, including letters of credit, security agreements, and financing statements, to provide collateral for amounts due to Franchisor for purchases of inventory and other items custom in Franchisee's business.

G. Compliance with Laws.

Franchisee will, at its expense, comply with all applicable local, state, federal, and municipal laws, ordinances, rules, and regulations pertaining to the operation of the Pearce Bespoke Franchise, including any and all licensing and bonding requirements. Such laws, rules, and regulations shall include, without limitation, the Americans with Disabilities Act ("ADA"), the Gramm-Leach-Bliley Act, the Fair Credit Reporting Act ("FCRA"), the Telephone Consumer Protection Act ("TCPA"), the Fair and Accurate Credit Transactions Act ("FACTA"), the National Automated Clearinghouse Association ("NACHA") and associated regulations (collectively "Privacy Laws"), licenses to do business, fictitious name registrations, sales and other tax permits, reporting and payment of all taxes, and any other requirement, rule, law or regulation applicable to Franchisee or in the jurisdiction of the Territory.

If the California Consumer Privacy Act ("CCPA"), Cal. Civ. Code § 1798.100, *et seq.*, or any federal or state privacy law applies to the Pearce Bespoke Franchise, whenever and to the extent Franchisee operates as a "Service Provider" under the CCPA or in a similar capacity under any federal or state privacy law, Franchisee represents, warrants, and covenants that:

1. Franchisee will not sell, make available or otherwise disclose any customer information to any third party for valuable consideration; and

2. Franchisee will retain, use, or disclose customer information only for the specific purpose of performing the services specified in this Agreement, and not any commercial or non-commercial purpose other than providing the services specified in this Agreement; and

3. Franchisee will not retain, use, or disclose customer information outside of the direct business relationship between Franchisee and Franchisor; and

4. Franchisee will delete any customer information upon Franchisor's request unless Franchisee can prove that such request is subject to an exception under applicable law; and

5. Franchisee certifies that it understands the restrictions in Paragraphs 1-4 of this section and will comply with them. Franchisee also acknowledges and agrees that Franchisor may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other state or federal privacy laws.

H. Payment of Liabilities.
Franchisee will timely pay all of its obligations and liabilities due and payable to Franchisor, suppliers, lessors, and creditors. Franchisor reserves the right to assess a default fee equal to one hundred dollars ($100.00), which amount can be altered from time to time as set out in the Operations Manual ("Default Fee"), plus interest on the unpaid amount at a rate equal to eighteen percent (18%) per annum.

I. Taxes
If any withholding, sales, excise, use, privilege or other tax (excepting Franchisor's income tax obligation) ("Tax Charge") is imposed or levied by any government or governmental agency on Franchisor or Franchisee for any fee due and payable under this Agreement, including but not limited to, the Royalty Fee, System Technology Fee, Accounting Software Fees and/or Brand Fund Contribution (for the purpose of this Section 8.G, such fees shall be referred to as a "Taxable Payment"), then Franchisee shall pay Franchisor a sum equal to the amount of the Tax Charge, together with the Taxable Payment, such that the net sum received by Franchisor equals the amount of the Taxable Payment without deduction, withholding, payment or application of the Tax Charge.

J. Standardization.
Franchisee will require its employees to wear such uniforms as Franchisor may designate and will comply with such programs of standardization as Franchisor may periodically develop to promote the common business image and to protect the goodwill associated with the Marks and Business System

K. Personnel.
Franchisee will, at all times when open for business, have a person designated as a management person on duty who will be responsible for the business operations of Franchisee's business. Franchisee will employ and maintain a sufficient number of adequately trained and competent employees to provide efficient service to Franchisee's customers. Franchisee's employees will not be deemed to be Franchisor's employees for any purpose whatsoever, and nothing in any aspect of the Business System or the Marks in any way shifts any employee or employment related responsibility from Franchisee to Franchisor. Franchisee alone is responsible for hiring, firing, training, setting hours for and supervising all employees.

L. Hours of Operation.
Franchisee's Pearce Bespoke Franchise will be open for business at the time and in the manner, Franchisor provides in the Operations Manual. The minimum hours of operation may be periodically amended by Franchisor and/or updated in the Operations Manual.

M. Additional Training Seminars.
Franchisor may periodically conduct refresher courses, seminars, and other programs for all Pearce Bespoke franchisees and their clothiers. Franchisee and/or its employees will be required to attend any such programs and will be responsible for any expenses incurred by them in attending such programs including the cost of training sessions as detailed in the Operations Manual, transportation, lodging, meals, and any wages. If Franchisee requests Franchisor provide Training at Franchisee's location, and Franchisor agrees to do so, Franchisee will be responsible for reimbursing Franchisor for the transportation costs, lodging costs, and other costs reasonably related to training at Franchisee's location, up to $5,000.

N. Photographs.
Franchisor will have the right to photograph the Pearce Bespoke Franchise premises and, with prior written consent, Pearce Bespoke Franchise employees at all reasonable times.

O. Operations Manual.

To protect Franchisor's reputation and goodwill and to maintain uniform operating standards under the Marks and Business System, Franchisee will conduct its business according to Franchisor's Operations Manual and other confidential Manuals provided by Franchisor. Franchisee will receive an electronic or hard copy of each Manual. Franchisee will treat each Manual as confidential and will use all reasonable efforts to maintain the Operations Manual as secret and confidential. The Manuals will remain Franchisor's sole property. Franchisor may periodically revise the contents of the Manuals. Franchisee agrees to comply with each new or changed standard. Franchisee will ensure that its copy of each Manual is kept current. In the event of any dispute as to the contents of any Manual, the terms of the master copy of such Franchisor maintains will control. At Franchisor's option, Franchisor may post some or all of the Operations Manual and other confidential Manuals and materials on the Extranet to which Franchisee will have access. Any passwords or other digital identifications necessary to access the Operation Manual on the extranet will be deemed secret and confidential. It is Franchisee's obligation to monitor and access the extranet for any updates to the Operating Manual or system standards.

P. Customer Lists:

Franchisee may capture customer data only in strict accordance with Franchisor's specifications and only using those technologies and processes that are approved by Franchisor. Franchisee shall comply with Franchisor's data privacy policies, as well as industry standards, Payment Card Industry Data Security Standard, and applicable law regarding the collection, storage, disclosure, processing, and use of customer data, including, if and when required, providing privacy notices and obtaining customer consents. Notwithstanding, Franchisee is expressly prohibited from selling, sharing, or otherwise disclosing any customer data to any third party for valuable consideration or for the purpose of performing cross-context behavioral advertising.

Q. Vehicle Lease.
Franchisee is not required to purchase or lease a vehicle to operate the Business. Should the Franchisee choose to brand a vehicle with the Marks, it must seek the prior written approval of the Franchisor. Vehicle be in good working condition and no more than five (5) years old. The vehicle must be box wrapped with Pearce Bespoke approved marks and logos, as described in the Operations Manual.

R. Point-of-Sale System.
Franchisee will utilize the point-of-sale system designated by the Franchisor (the "POS System") which Franchisor has selected for the Business System, including all future updates, supplements, and modifications. Franchisee may be required to enter into a separate computer software license agreement specified by a third-party supplier of the POS System. Franchisor may access information and data produced by Franchisee's POS System. As further described in Section 5(C), Franchisor has the right to use the information obtained from Franchisee's POS System to determine the weekly amounts owed for Royalty Fees. The computer hardware component of the POS System must conform with specifications Franchisor develops and must be configured as a package unit as Franchisor designates. The POS System may include one (1) iPad, one (1) desktop/laptop computer, and one (1) all-in-one printer. Franchisee will be required to utilize and, at Franchisor's discretion, pay for all future updates, supplements, and modifications to the POS System. Franchisee may be required to update its POS System every five (5) years or less, depending on updates in technology and Franchisor's current standards. Franchisor reserves the right to charge a POS Maintenance Fee. Franchisor will provide a minimum of thirty (30) days' written notice prior to implementation of such fee. It is Franchisee's responsibility to make sure that Franchisee is in compliance with all laws that are applicable to the POS System or other technology custom in the operation of Franchisee's Business, including all data protection or security laws as well as PCI compliance.

S. Technology and Accounting Software Fee.
Franchisor reserves the right to charge a periodic Technology Fee for technology related services provided by Franchisor, directly or indirectly, currently we charge $25 per week. The Technology Fee will be paid in accordance with Section 5(C). Franchisor will provide a minimum of thirty (30) days' written notice prior to implementation of such fee. If a Technology Fee is established, Franchisor will not increase the Technology Fee by more than ten percent (10%) each year. Franchisee is required to utilize the accounting software designated by Franchisor, currently

QuickBooks, through an account associated with Pearce Bespoke Franchising LLC. The approximate monthly cost for such accounting software is $50, payable to Pearce Bespoke Franchising LLC.

T. Participation in Internet Website.
Franchisee must have high speed internet access from the Pearce Bespoke Franchise and an e-mail address. Franchisor will include Franchisee in the Pearce Bespoke Franchise location section of Franchisor's website www.pearcebespoke.com at no charge as part of Franchisee's marketing fund. Franchisor will establish the rules from time to time under which franchisees will establish their own website or separately use the internet, and Franchisee shall be required to strictly abide by all such rules and follow the then current form of Internet Code of Conduct. Franchisee is required to have a Pearce Bespoke Franchise website and will pay all expenses associated with the development and operation of the website for Franchisee's individual Pearce Bespoke Franchise. Franchisor will, at its discretion, determine the content and use of the Pearce Bespoke website, and the core brand content and design of the franchisee Pearce Bespoke Franchise website templates. Franchisor will retain all rights relating to the Pearce Bespoke website and the individual Pearce Bespoke Franchises' website template and domain name(s) (URL) and may alter or terminate the websites upon thirty (30) days' notice to Franchisee. Franchisee's general conduct on the internet and specifically its use of the Marks on the internet (including the domain name and any other Marks Franchisor may develop as a result of participation on the internet) will be subject to the provisions of this Agreement and regulated by the Internet Code of Conduct or similar document. Franchisee may be required to participate in e-commerce activities (as regulated in the Internet Code of Conduct) on its Pearce Bespoke Franchise website and have a separate online merchant account to accept credit card payments through the website. Franchisee acknowledges that certain information obtained through its participation in the Pearce Bespoke internet and extranet websites may be considered Confidential Information (as defined in Section 9 below), including access codes and identification codes. Franchisee's right to maintain any website custom in operating the Pearce Bespoke Franchise, participate in the Pearce Bespoke internet or extranet sites or otherwise use the Marks or Business System on the internet will terminate when this Agreement expires or terminates. It is Franchisee's responsibility to ensure that its website and other web content complies with all applicable provisions of the current Web Content Accessibility Guidelines ("WCAG") and/or related laws.

U. Credit Cards and Methods of Payment.
At all times, Franchisee must maintain credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial-center services, and electronic-funds-transfer systems that Franchisor designates, and Franchisee must not use any such services or providers that Franchisor has not approved in writing. Franchisor has the right to modify its requirements and designate additional approved or required methods of payments and vendors for processing such payments. Franchisee must comply with all credit card policies. The Franchisee must comply with the Payment Card Industry Data Security Standards ("PCI DSS") as they may be revised and modified by the Payment Card Industry Security Standards Council or its successor organization, FACTA and any other card payment standards Franchisor may specify.

V. Summits and Conventions.
Unless otherwise excused by Franchisor in writing, Franchisee is required to attend all franchisee summits & conventions. A Summit may be held annually or at such intervals as Franchisor may determine is appropriate. A Franchise or principal must attend. Additional staff or clothiers may attend if Franchisee desires. Franchisee shall bear all costs of attending each summit or meeting, including transportation, lodging, meals and personal expenses. In addition, Franchisor may elect to charge a Conference Fee of up to Five Hundred United States Dollars ($500 USD) per Franchisee. This cost, including the fee maximum, may be changed from time to time by the Franchisor as per the Manuals. Non-attendance of the summit shall be considered a material breach of this Agreement and the Franchisor may elect to charge a Non-Attendance Fee of up to One Thousand United States Dollars ($1,000 USD) per Pearce Bespoke Franchise.

W. Opening Inventory Package.
Franchisee must purchase upon the signing of this Agreement, from Franchisor, an initial inventory package for eight thousand dollars ($10,000.00). The Opening Inventory Package includes the cost

of a signature clothing trunk, additional transportation luggage, a mixture of men and women's custom suits and clothing, and a variety of accessories that Franchisee will utilize to promote and market the Pearce Bespoke Franchise.

X. Clothier Inventory Package.
Franchisee must purchase a Clothier Inventory Package for each clothier it hires. The Clothier Inventory Package is currently two thousand seven hundred dollars ($5,400.00) and includes sample products, including men's and women's apparel (such as jeans, polos, shirts, and sport jackets), as well as additional samples for add-on offerings.

Y. Clothier Recruitment Fee.
Upon Franchisee's request, Franchisor will provide Franchisee with clothier recruitment services ("PB Recruiting"). PB Recruiting services include: (i) identifying potential clothiers for employment, (ii) making touch points, and (iii) upon Franchisee's request, traveling to its territory to conduct interviews and make hiring recommendations. If Franchisee chooses to use PB Recruiting, the fee is: (i) $1,200 for up to 5 months.

Z. Operational Standards Violation.
Franchisor has established certain operational standards, as set forth in the Operations Manual. Franchisee acknowledges that any deviation from an operational standard constitutes a violation of this Agreement and will require Franchisor to incur incalculable administrative and management costs to address such violation. Accordingly, Franchisee agrees that, to compensate Franchisor for its incalculable administrative and management costs due to Franchisee's operational standard violation, Franchisee shall pay Franchisor an Operational Standards Violation Fee, as set forth in the Operations Manual, for each violation of an operational standard. **Franchisee hereby authorizes Franchisor to take payment of the Operational Standards Violation Fee, at Franchisor's option, through electronic funds transfer or ACH payment.** Franchisor need not give Franchisee a cure opportunity before charging the Operational Standards Violation Fee, and Franchisor's imposition of an Operational Standards Violation Fee does not preclude Franchisor from seeking injunctive relief to restrain any subsequent or continuing violation, formally defaulting and terminating this Agreement or exercising any of Franchisor's rights under this Agreement.

AA. Computer System.

Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software, and internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches, or other unauthorized access. Franchisee shall notify Franchisor immediately of any actual or suspected data breach of Franchisee's computer systems and shall, at Franchisee's sole expense, cooperate fully with Franchisor and Franchisor's counsel to investigate the data breach and implement remedial measures. Franchisee shall defend, indemnify, and hold harmless Franchisor from all costs, expenses, and/or attorney's fees incurred in connection with the data breach, including but not limited to, costs associated with legal notifications, credit monitoring, and crisis management services

9. **CONFIDENTIAL INFORMATION**

A. Non-Disclosure of Confidential Information.
Franchisee and those individuals who have signed the Personal Guaranty attached hereto as Attachment B agree to use and permit the use of Franchisor's Confidential Information (as defined below) solely in connection with the operation of the Pearce Bespoke Franchise. Franchisee and Personal Guarantors further agree that they will never, during the initial term or any renewal term of this Agreement, or any time after this or any renewal Franchise Agreement expires or terminates, or Franchisee's rights under this Agreement or any renewal Franchise Agreement are assigned or terminated, divulge or use any of Franchisor's Confidential Information for the benefit of any third party (including any person, business entity or enterprise of any type or nature), nor will Franchisee

or Personal Guarantors directly or indirectly aid such third party to imitate, duplicate or "reverse engineer" any of Franchisor's Confidential Information. "Confidential Information" means all information, knowledge, trade secrets, or know-how utilized by the Business System, or which otherwise concerns Franchisee's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases, or software. Confidential Information includes (without limitation): all elements of the Business System and all products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are part of the Business System; Franchisor's Operations Manual (including supplements to the Manual); all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or Franchisee in the offer and sale of products and or services at the Pearce Bespoke Franchise; all pricing paradigms established by Franchisor or by Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and identity of suppliers); Franchisor's specifications, and Franchisee's final plans, for the construction, build-out, design, renovation, décor, equipment, signage, furniture, items and trade dress elements of the Pearce Bespoke Franchise; the identity of, and all information relating to, the computer and DRS POS hardware and software utilized by Franchisor and Franchisee; all information pertaining to Franchisor's and Franchisee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, customer data and other records generated and/or otherwise maintained by the Pearce Bespoke Franchise; Franchisor's Internet Code of Conduct, social media policy, internet/web protocols, procedures and content; Franchisor's training and other instruction programs and materials; all communications between Franchisor and Franchisee (including the financial and other reports Franchisee is required to submit to Franchisor under the Agreement); additions to, deletions from and modifications and variations of the components of the Business System and all other information, knowledge and know-how which Franchisor and its affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information which Franchisee and Personal Guarantors can demonstrate came to their attention before Franchisor disclosed it to Franchisee (unless illegally or improperly procured by Franchisee or its Personal Guarantors before Franchisor's disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of Franchisee or Personal Guarantors.

Except as authorized in this Agreement, Franchisee and Personal Guarantors agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or in part; otherwise share it with any other third-party individual or entity; Pearce Bespoke Franchise it in a computer or other electronic format; or otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, Franchisee and Personal Guarantors agree to return to Franchisor such Confidential Information as Franchisor requests (including customer lists and records; all training materials and other instructional content; financial and non-financial books and records; the Manual; and, computer databases, software and manuals) which are then in Franchisee's or Personal Guarantor's possession, or upon Franchisor's request, destroy all or certain Confidential Information and certify such destruction to Franchisor. It is specifically understood that all customer lists or information adduced by the Pearce Bespoke Franchise is Franchisor's property, not the property of Franchisee or Personal Guarantors. Franchisor may use this information to market to Franchisee's customers during and after the term of the Franchise Agreement. Franchisee will execute any document required by Franchisor to ensure that Franchisor will have access to that information.

Franchisee and Personal Guarantors must only divulge such Confidential Information to Franchisee's operational personnel as is necessary for each to perform his/her functions and then only on a "need to know" basis. Franchisee and Personal Guarantors agree to take all necessary precautions to ensure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Franchisee's agreement to procure execution of a Confidentiality/Non-Competition Agreement from certain of Franchisee's owners, management and staff is set forth before in Section 9(B) of this Agreement.

B. Confidentiality/Non-Competition Agreements.

All of Franchisee's employees who have managerial duties with respect to the Pearce Bespoke Franchise and who have access to Confidential Information of Franchisor, as well as all corporate officers, directors, and shareholders if Franchisee is a corporation (all partners if Franchisee is a partnership), must sign Confidentiality/Non-Competition Agreements in a form satisfactory to Franchisor, agreeing to maintain the confidentiality, during the course of their agreement and thereafter, of all information Franchisor copyrights or designates as confidential and proprietary. Copies of the executed agreements will be provided to Franchisor upon request.

Franchisee agrees to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed pursuant to this provision, and acknowledge Franchisor's right, to be exercised as Franchisor alone determines, to enforce the terms of any such executed Confidentiality/Non-competition Agreement. If the substantive provisions of the Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged, or otherwise serving the Pearce Bespoke Franchise who has not executed a Confidentiality/Non-Competition Agreement Franchisee must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law. Franchisee shall indemnify and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of Franchisee's failure to obtain executed Confidentiality/Non-Competition Agreements from employees, agents and third persons as required by this Section.

10. **INSURANCE; BONDING**

A. Insurance.

Franchisee will obtain and maintain in force (under policies of insurance issued by a carrier that is rated A- or better by AM Best) and pay the premiums for public liability insurance with products/completed operations coverage and premises liability of no less than one million dollars ($1,000,000.00) per occurrence and two million dollars ($2,000,000.00) in the aggregate, bailee insurance protecting Franchisee's consignment goods and other insurance in such types and amounts as Franchisor may reasonably require. Such insurance policies will expressly protect both Franchisee and Franchisor and will require the insurer to defend both Franchisee and Franchisor in any action. In addition, each such insurance policy must name Franchisor as an additional insured, and provide that such policy will not be canceled, amended, or modified except upon thirty (30) days' prior written notice to Franchisor. On an annual basis and upon Franchisor's request, Franchisee will furnish to Franchisor endorsements or other proof of insurance Franchisor requires evidencing that Franchisee has obtained and is maintaining in force all required insurance policies. Maintenance of the insurance requirement will not relieve Franchisee of the obligations of indemnification stated in Section 11 below. If Franchisee fails to obtain or maintain in force any insurance as required by this Section or to furnish any endorsements or other proof of insurance Franchisor requires hereunder, Franchisor may, in addition to all other available remedies, obtain such insurance or endorsements or proof of insurance, and Franchisee will promptly reimburse Franchisor for all insurance premiums and other costs incurred in obtaining such insurance or endorsements or other proof of insurance.

B. Bonding.

Franchisee will comply with any and all bonding requirements which may be applicable to its Pearce Bespoke business.

11. **INDEPENDENT CONTRACTORS; INDEMNIFICATION**

Franchisor and Franchisee are independent contractors. Neither Franchisor nor Franchisee will make any agreements, representations, or warranties in the name of or for the other or that their relationship is other than franchisor and franchisee. Neither Franchisor nor Franchisee will be obligated by or have any liability under any agreements, representations or warranties made by the other. Franchisee alone will be responsible for all loss or damage arising out of or relating to the operation of Franchisee's business or arising out of the acts or omissions of Franchisee or any of its agents, employees, or contractors in connection with the preparation and sale of products by Franchisee, and for all claims for damage to property or for injury or death of any persons directly or indirectly resulting therefrom. Franchisee acknowledges that the customer list of all Pearce

Bespoke or commercial customers shall be the sole and exclusive property of Franchisor, and that Franchisee shall have no ownership rights or interest in the customer list. Franchisee will indemnify Franchisor against and will reimburse Franchisor for all obligations and damages arising out of the operation of Franchisee's business, including all costs Franchisor reasonably incurs in the defense of any such claim brought against it or in any action in which it is named as a party (including reasonable attorneys' fees), including without limitation any claims brought against it related to Franchisee's violations of Privacy Laws. Franchisor will have the right to defend any such claim against it. Franchisor will indemnify Franchisee against and reimburse Franchisee for any obligations or liability for damages attributable to agreements, representations or warranties of Franchisor, or custom by Franchisor's negligence or willful action, and for costs Franchisee reasonably incurs in the defense of any such claim brought against it or in any action in which it is named as a party, provided that Franchisor will have the right to participate in and, to the extent Franchisor deems necessary, to control any litigation or proceeding which might result in liability of or expense to Franchisee subject to such indemnification. The indemnities and assumptions of liabilities and obligations stated in this Agreement will continue in full force and effect following the expiration, termination, or a transfer of this Agreement.

Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment, or fiduciary relationship of any kind. None of Franchisee's employees will be considered to be Franchisor's employees. Neither Franchisee nor any of Franchisee's employees whose compensation is paid by Franchisee may in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Franchisor for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied, or fixed by any city, state, or federal governmental agency. Franchisor will not have the power to hire or fire Franchisee's employees and has no authority to control, either directly or indirectly, the essential terms and conditions of employment of Franchisee's employees. Franchisee acknowledges and agrees that Franchisee, in Franchisee's sole and absolute discretion, shall determine all such essential terms and conditions of employment, which are defined in the Operations Manual or otherwise defined by law. Franchisee will alone exercise day-to-day control over all operations, activities, and elements of the Pearce Bespoke Franchise. Franchisee is solely responsible for the safety and well-being of Franchisee's employees and the customers of the Pearce Bespoke Franchise. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 11 hereof shall apply to any claims made against Franchisor regarding safety or security. Franchisee acknowledges and agrees that the various requirements, prohibitions, specifications, and procedures of the Business System which Franchisee is required to comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer, or imply that Franchisor controls any aspect or element of the day-to-day operations of the Pearce Bespoke Franchise, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Pearce Bespoke Franchise. Franchisee may not, without Franchisor's written approval, have any power to obligate Franchisor for any expense, liabilities, or other obligations, other than specifically provided in this Agreement.

12. **SALES REPORTS, FINANCIAL STATEMENTS AND AUDIT RIGHTS**

A. Sales Reports.

Franchisee will maintain an accurate written record of daily Gross Sales and will deliver to Franchisor a signed and verified statement of the weekly Gross Sales of Franchisee's business using such forms and methods as Franchisor may require in writing. The weekly statement of Gross Sales must be provided to Franchisor on or before Wednesday of each week for the preceding week. Franchisor reserves the right to modify or substitute the required forms and methods and impose additional recordkeeping procedures.

B. Financial Statements.

Franchisee will, at its expense, provide Franchisor with quarterly and annual financial statements and such other financial reports as Franchisor specifies using the forms and chart of accounts Franchisor requires. All financial information provided to Franchisor under this Section must be presented in the form Franchisor periodically requires in writing. Franchisee will deliver the quarterly financial information to Franchisor by the thirtieth (30th) day of the month following the

end of the preceding quarter. The annual financial statement must be provided on or before March 1 of each year for the preceding calendar year. Franchisee acknowledges and agrees that the financial data of Franchisee's Pearce Bespoke Franchise (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the Business System.

C. Audit Rights.

Franchisee will make all of its financial books and records (including the tax returns of Franchisee, its Personal Guarantors, and its shareholders) available to Franchisor or its designated representative at all reasonable times for review and audit by Franchisor or its designee. Franchisee will keep its financial books and records for each fiscal and calendar year in a secure place and will make them available for audit by Franchisor for at least five (5) years. If an audit conducted by Franchisor results in a determination that the Royalty Fees or other amounts paid to Franchisor are deficient (underpaid) by more than two percent (2%), Franchisee will pay Franchisor for the reasonable costs and expenses that it has incurred as a result of the audit. If pursuant to audits, the Royalty Fees have been deficient by more than two percent (2%) twice or more within any five (5) year period, this will be considered a material breach of this Agreement. In addition, Franchisee's failure to fully cooperate and timely complete the audit procedures is a material breach of the Franchise Agreement and Franchisee will pay all of Franchisor's costs and expenses Franchisor incurs resulting from Franchisee's lack of cooperation and untimeliness.

13. **FRANCHISOR'S RIGHT OF FIRST REFUSAL TO PURCHASE**

A. Restrictions.

Franchisee will not sell, assign, trade, transfer, lease, sublease, or otherwise dispose of: (1) any interest in or any part of the Franchise or this Agreement, or (2) any controlling interest (whether through one or more related transactions) in Franchisee's business or the assets of Franchisee's business to any third party, without first offering the same to Franchisor in writing, at the same price and on the same terms as stated in the proposed third-party offer. Franchisee's written offer to Franchisor must contain all material provisions of the proposed sale or transfer. Upon Franchisor's receipt of written notice specifying the proposed price and terms of a proposed sale or transfer of Franchisee's business or interest therein, Franchisor will give Franchisee written notice within ten (10) business days thereafter if Franchisor has an interest in negotiating to purchase the business or interest being offered according to the proposed terms. If Franchisor commences negotiations to purchase Franchisee's business or interest therein as described herein, Franchisee may not sell the business or interest being offered to a third party for at least thirty (30) days or until Franchisor and Franchisee agree in writing that the negotiations have terminated, whichever comes first. If Franchisor waives its right to purchase, Franchisee may complete the sale or transfer of the business or interest therein according to the terms described in the written notice to Franchisor but not upon more favorable terms. Any such sale, transfer, or assignment to a third party is subject to the provisions stated in Section 14 of this Agreement. Franchisor's nonacceptance of Franchisee's written offer will not affect or change Franchisee's obligations under this Agreement.

B. Corporate Franchisee.

If Franchisee is a corporation, the shareholders cannot sell, assign, pledge or otherwise dispose of a controlling interest in the capital stock of Franchisee ("Capital Stock") (except to immediate family members of the controlling shareholder(s) or to a trust established for their benefit) until the Capital Stock has been first offered to Franchisor in writing under the same terms and conditions offered to any third party. A shareholder of Franchisee may, however, bequeath, sell, assign, trade, or transfer his/her Capital Stock to the other shareholders of Franchisee corporation because of death or permanent disability without first offering it to Franchisor, provided Franchisee provides Franchisor with written notice of all such transactions. All shares of Capital Stock issued by Franchisee's corporation to its shareholders must bear the following legend on the reverse side of each issued and outstanding stock certificate:

The shares of capital stock represented by this certificate are subject to a written Franchise Agreement which grants Pearce Bespoke a right of first refusal to purchase these shares of capital stock from the shareholder.

Nothing in this Section will be construed as prohibiting the shares of Capital Stock of a corporate Franchisee from being pledged as security to an institutional lender who has provided financing to or for the Pearce Bespoke Franchise; provided the institutional lender accepts such security interest subject to Franchisor's reasonable conditions. Notwithstanding the foregoing, in the event Franchisee seeks and/or obtains financing whereby funding is provided with the assistance of the United States Small Business Administration ("SBA Financing"), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any collateral Franchisee uses to secure the SBA Financing, and Franchisor and Franchisee further agree that (i) the provisions of Attachment D are fully incorporated herein and applicable to Franchisor and Franchisee, (ii) Franchisor shall subordinate its security interest or other lien on Franchisee's collateral to that of the lender of the SBA Financing and (iii) Franchisor waives the requirement of the written acknowledgement referenced in this Section.

14. **ASSIGNMENT OF FRANCHISE AGREEMENT**

A. By Franchisor.

A sale, transfer, or assignment by Franchisor of its interest in the Business System or the Marks or any parts thereof, and/or in the sale, transfer, or assignment by Franchisor of this Agreement or any interest therein, may be completed without the consent of Franchisee. To the extent that the purchaser or transferee shall assume the covenants and obligations of Franchisor under this Agreement, Franchisor shall thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations. Franchisee acknowledges that nothing in this Agreement shall prevent Franchisor from granting security over any of its assets, including the Marks and any other intellectual property, on terms required by any secured party from time to time, and Franchisee further acknowledges that any such secured party or any agents acting on behalf of such secured party shall not have any obligations to Franchisee by reasons only of such security interest.

B. Corporate Franchisee.

This Agreement may be transferred or assigned by Franchisee to a corporation which is owned or controlled by Franchisee, provided Franchisee and all other shareholders of the assignee corporation owning at least ten percent (10%) of the Capital Stock thereof sign the Personal Guaranty attached hereto as Attachment B and agree to be bound by the provisions of this Agreement. Franchisee will give Franchisor fifteen (15) days' written notice before the proposed date of assignment or transfer of this Agreement to a corporation owned or controlled by Franchisee; however, the transfer or assignment of this Agreement will not be valid or effective until Franchisor has received the legal documents which its legal counsel deems necessary to properly document such transfer or assignment.

C. Conditions to Other Transfer or Assignment.

Franchisee (and its partners and shareholders, if any) will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, Franchisee's business, all or substantially all of the assets of Franchisee's business, this Agreement or any controlling interest in Franchisee (a "controlling" interest will include a proposed transfer of fifty percent (50%) or more of the Capital Stock of a corporate Franchisee) without Franchisor's prior written consent, except to trusts established for Franchisee's benefit. Franchisor will not unreasonably withhold its consent to a transfer, subject to any or all of the following conditions described below which Franchisor may deem necessary:

1. All of Franchisee's accrued monetary obligations to Franchisor and suppliers will have been satisfied, and Franchisee is not in default under this Agreement;

2. Franchisee executes a written agreement in a form satisfactory to Franchisor, in which Franchisee covenants to observe all applicable post-term obligations and covenants contained in this Agreement;

3. The transferee-franchisee enters into a written agreement in a form satisfactory to Franchisor assuming and agreeing to discharge all of Franchisee's obligations and covenants under this Agreement for the remainder of its term or, at Franchisor's option, executes Franchisor's then-current standard form of franchise agreement which may not contain any further rights of renewal, but may contain royalty rates and advertising contributions (which

may be different than those contained in this Agreement), and an altered Franchised Territory;

4. The transferee-franchisee is not a competitor of Franchisor or the Business system and is approved by Franchisor and demonstrates to Franchisor's satisfaction that he/she meets Franchisor's managerial, financial, and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct the franchised business. Franchisee understands that Franchisor may communicate directly with the transferee-franchisee during the transfer process to respond to inquiries, as well as to ensure that the transferee-franchisee meets Franchisor's qualifications;

5. While Franchisor does not determine the purchase price, Franchisor may determine that the purchase price and payment terms will adversely affect the transferee-franchisee's operation of the Pearce Bespoke Franchise;

6. If Franchisee finances any part of the purchase price, Franchisee agrees that all of the transferee franchisee's obligations under any promissory notes, agreements, or security interests reserved in the Pearce Bespoke Franchise are subordinate to the transferee-franchisee's obligations to pay Royalty Fees or any other amounts due to Franchisor under the Franchise Agreement;

7. The transferee-franchisee successfully completes Franchisor's training program; and Franchisee pays Franchisor a transfer fee equal to the greater of (i) Ten Thousand Dollars ($10,000.00), or (ii) twenty five percent (25%) of the then current Initial Franchise Fee, for the costs Franchisor incurs, including the costs of any required training. There will be no transfer fee payable for transfers to immediate family members (i.e.: spouse or children).

15. **FRANCHISOR'S TERMINATION RIGHTS**

A. Principal's Default. Franchisee and each Principal acknowledge and agree that a default event described in this Article 15 that is committed by any Principal is deemed a default by the Franchisee entity and all Principals, such that Franchisor may exercise its rights pursuant to this Article 15, whether or not the Franchisee entity or any other Principal had or is involved or knowledge of the default event.

B. Grounds.

Franchisee will be in default, and Franchisor may, at its option, terminate this Agreement, as provided herein, if:

(1) Franchisee fails to open and commence operations of the Pearce Bespoke Franchise at such time as the premises are ready for occupancy or within three (3) months of the execution of this Agreement, whichever occurs first;

(2) Franchisee violates any material provision or obligation of this Agreement;

(3) Franchisee or any of its managers, directors, officers, or majority shareholders are convicted of, or plead guilty to or no contest to (a) a charge of violating any law which at Franchisor's sole discretion, adversely impacts upon the reputation of the franchised business or (b) any felony;

(4) Franchisee fails to conform to the material requirements of the Business System or the material standards of uniformity and quality for the products and services Franchisor has established in connection with the Business System;

(5) Franchisee fails to timely pay Royalty Fees, Marketing, Technology or Advertising Fees, buying group (inventory) obligations or any other fees, obligations or liabilities due and owing to Franchisor or fails to timely pay any advertising cooperative obligations;

(6) Franchisee is insolvent within the meaning of any applicable state or federal law;

(7) Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors;

(8) Franchisee voluntarily or otherwise "abandons" (as defined below) the franchised business or fails to operate the business for a period of seven (7) consecutive days without Franchisor's prior written approval. The term "abandon" means Franchisee's failure to operate the Pearce

Bespoke Franchise during regular business hours for a period of ten (10) consecutive days without Franchisor's prior written consent unless such failure is due to an act of God, war, strikes, or riots;

(9) Franchisee is involved in any act or conduct which at Franchisor's sole discretion, materially impairs the goodwill associated with the name "Pearce Bespoke" or any of the Marks or the Business System;

(10) Franchisee defaults in any other agreement with Franchisor, its subsidiaries or affiliates, and does not cure such default in accordance with the terms of such other agreement;

(11) Franchisee receives frequent and/or severe complaints from customers and/or employees concerning the Pearce Bespoke Franchise. Frequent shall mean there (3) or more different customer complaints with respect to the Pearce Bespoke Franchise in any twelve (12) month period, whether or not resolved;

(12) After curing a default, engages in the same default within a twelve (12) month period whether or not this default is corrected after notice; or, within any twenty-four (24) month period, engages in four (4) separate defaults, whether or not these defaults are cured after notice;

(13) Franchisee fails to fully cooperate and timely complete any audit or mandatory survey requested by Franchisor;

(14) Franchisee violates the in-term covenant not to compete;

(15) Franchisee makes any unauthorized use, disclosure or duplication of any portion of the Manuals or duplicates, discloses or makes any unauthorized use of any Confidential Information provided to Franchisee by Franchisor;

(16) Fails to pay any fee charged in lieu of termination.

C. Procedure.

Except as described below, Franchisee will have thirty (30) days, or such longer period as applicable law may require, after its receipt from Franchisor of a written Notice of Termination within which to remedy any default hereunder, and to provide evidence thereof to Franchisor. If Franchisee fails to correct the alleged default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to Franchisee effective immediately when the thirty (30) day period (or such longer period as applicable law may require) expires. Franchisor may terminate this Agreement immediately upon delivery of written notice to Franchisee, with no opportunity to cure, if the termination results from any of the following: (1) Franchisee repeatedly fails to comply with one or more material requirements of this Agreement; (2) the nature of Franchisee's breach makes it not curable; (3) Franchisee willfully and repeatedly deceives customers relative to the source, nature or quality of goods sold; (4) any default under items (1), (3), (6), (8), (9), (11), (12), (13) or (14) in Section 15(A) above; or (5) Franchisee willfully and materially falsifies any report, statement, or other written data furnished to Franchisor either during the franchise application process or after Franchisee is awarded a franchise. For purposes of Section 15(B)(1) of the Franchise Agreement, the word "repeatedly" means Franchisee's failure, on two or more separate occurrences during any twenty-four (24) month period, to comply with one or more material requirements of the Franchise Agreement, even if the default is subsequently cured within the applicable time period. Any report submitted pursuant to Section 12 will be conclusively deemed to be materially false if it understates Gross Sales by more than four percent (4%).

D. Applicable Law.

If the provisions of this Section 15 are inconsistent with applicable law, the applicable law will apply.

16. **FRANCHISEE'S TERMINATION RIGHTS; NOTICE REQUIRED**

A. Termination.

Franchisee may terminate this Agreement if Franchisor violates any material obligation of Franchisor to Franchisee and fails to cure such violation within thirty (30) days after Franchisor's receipt of written notice from Franchisee; provided, however, that Franchisee is in substantial compliance with the Agreement at the time of giving such notice of termination. Franchisee's

written notice will identify the violation and demand that it be cured.

B. Required Notice.

A party must give the other party written notice of an alleged default under or violation of this Agreement after it has knowledge of, determines, or is of the opinion that there has been an alleged default under or violation of this Agreement. If there is failure to give written notice of an alleged default under this Agreement within one (1) year from the date that the nonbreaching party has knowledge of, determines or is of the opinion that there has been an alleged default, the alleged default will be deemed to be approved and waived, and the alleged default or violation will not be deemed to be a default under or violation of this Agreement.

17. **FRANCHISEE'S OBLIGATIONS UPON TERMINATION**

A. Post-Term Duties.

If this Agreement is terminated for any reason, Franchisee will: (1) within five (5) days after termination, pay all amounts due and owing to Franchisor or suppliers under this Agreement; (2) return by first class prepaid United States mail or at Franchisor's sole discretion, destroy and confirm destruction thereof to Franchisor the all equipment, Manuals any other manuals, advertising materials, all other printed materials or assets relating to the operation of the franchised business; (3) assign to Franchisor or, at Franchisor's discretion, disconnect the telephone number for the Pearce Bespoke Franchise; and (4) remove all signs and other materials bearing the name "Pearce Bespoke" and other Marks; (5) disconnect any internet website Franchisee has established in connection with Franchisee's operation of the Pearce Bespoke Franchise; and (6) comply with all other applicable provisions of this Agreement, including the non-compete provisions. Upon termination of this Franchise Agreement for any reason, Franchisee's right to use the name "Pearce Bespoke" and the other Marks and the Business System will immediately terminate. If Franchisee fails to remove all signs and other materials bearing the Marks, Franchisor may do so at Franchisee's expense.

B. Liquidated Damages – Default and Termination of Franchise.

In the event this Agreement is terminated due to Franchisee's default, pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to (A) (a) the average monthly Royalty Fee and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of default (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) twenty-four (24) or (ii) the number of months then remaining in the then-current term of this Agreement OR (B) Fifty Thousand Dollars ($50,000), whichever is greater. Franchisee acknowledges that a precise calculation of the full extent of the lost Royalties and Brand Fund Contributions Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.E shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18. **FRANCHISEE'S COVENANTS NOT TO COMPETE**

A. During Term.

During the term of the Franchise Agreement, Franchisee will receive proprietary information, materials, and trade secrets specifically geared to and utilized in the Pearce Bespoke tailoring business operations for all of Franchisor's franchised brands. To protect the valuable proprietary information and prevent Franchisee from using that information to operate a business that competes with any of Franchisor's clothing brands, Franchisee (and all Personal Guarantors and owners of all or part of Franchisee) will not, during the term of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director, or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or entity engaged in any Pearce Bespoke clothing business not offered by Pearce Bespoke involving the purchase and/or sale of custom clothing and accessories, without Franchisor's prior written consent**.**

B. After Termination.

Franchisee (and all Personal Guarantors and owners of all or part of Franchisee) will not, directly or indirectly, for a period of two (2) years after this Agreement expires or is terminated (except for a termination as a result of a Franchisor's breach), on their own account or as an employee, consultant, partner, officer, director, or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any resale of a mobile business not offered by Pearce Bespoke involving the purchase and/or sale of custom clothing and accessories located within the Franchised territory within a ten (10) mile radius of the thereof or any Pearce Bespoke Franchise. Franchisee expressly agrees that the two (2) year period and the ten (10) mile radius are the reasonable and necessary time and distance needed to protect Franchisor if this Agreement expires or is terminated for any reason.

C. Extension During Breach.

Franchisee (and all Personal Guarantors and owners of all or part of Franchisee) acknowledge and agree that the two (2) year non-competition period set forth in Section 18(B) above will be extended for a period of time equal to the time during which the Franchisee is in breach of any of the provisions of Section 18(B).

D. Injunctive Relief.

Franchisee agrees that damages alone cannot adequately compensate Franchisor if there is a violation of these non-competition covenants, and Franchisee stipulates that Franchisor would be irreparably harmed by such a violation and that preliminary and permanent injunctive relief is essential and must be entered for the protection of Franchisor, and Franchisee hereby agrees to waive any and all defenses to the entry of such injunction(s). Preliminary and permanent injunctive relief will be entered by a court of competent jurisdiction enforcing the non-competition covenants without Franchisor posting any bond or security, in addition to all other remedies that may be available to Franchisor at equity or law.

D. Liquidated Damages – Violation of Confidentiality or Non-Competition Covenants. In the event Franchisee violates the covenants of confidentiality and/or non-competition set forth herein, Franchisee shall pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) an amount equal to One Hundred Thousand Dollars ($100,000.00), plus Franchisor's attorney's fees, for each such violation. Franchisee acknowledges that a precise calculation of the full extent of the damages that Franchisor will incur in the event of Franchisee's violation of the covenants of confidentiality and/or non-competition is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision hereof.

F. Security Agreement. To secure payment of all sums owing to Franchisor from Franchisee, whether they be Royalty Fees, Brand Fund Contributions, and/or other fees, costs, damages, or reimbursements pursuant to this Agreement or any other agreement between Franchisor and Franchisee and/or Principal(s), Franchisee grants Franchisor a security interest in the Collateral (as hereafter defined) and further agrees:

The Collateral means all equipment, furniture, signage, inventory, and supplies of the Franchised Business, wherever located, that are now owned or hereafter acquired, and any additions, substitutions, replacements, or products thereof or proceeds therefor.

This Agreement shall be deemed a security agreement, and Franchisor, in Franchisor's discretion, may file with applicable state agencies or offices this Agreement and/or one or more financing statements indicating Franchisor's secured interest in the Collateral. Franchisee shall cooperate with Franchisor and shall execute such documents as may be necessary for Franchisor to perfect its security interests.

Upon a default of this Agreement by Franchisee, all sums owing to Franchisor from Franchisee shall be immediately due and payable, and Franchisor shall have the immediate right to possession and use of the Collateral, which includes Franchisor right to enter upon any premises, without legal

process, where the Collateral may be found. Franchisor further shall have all rights, options, duties, and remedies of a secured party pursuant to the Uniform Commercial Code, as adopted by the State where the Collateral is located, including the right to dispose of the Collateral in accordance therewith.

Franchisor's exercise of its rights with regard to the Collateral are in addition to and not exclusive of any other rights or remedies that Franchisor may have pursuant to this Agreement, at law, or in equity for Franchisee's breach of this Agreement

19. **ARBITRATION; ENFORCEMENT**

A. Arbitration Process.

Except to the extent Franchisor elects to enforce the provisions of this Agreement by judicial process and injunction as provided pursuant to Section 19(D), all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance, or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) will be settled by arbitration in Baton Rouge, Louisiana pursuant to the Federal Arbitration Act. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award any type of relief except as limited by Section 19(C). The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such Rules are not inconsistent with the provisions of this arbitration provision. The decision of the arbitrator(s) will be final and binding on all parties. Claims in arbitration of different parties may not be joined. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, Franchisee and Franchisor will fully perform their respective obligations under this Agreement.

B. Additional Proceedings.

If, after Franchisor or Franchisee institutes an arbitration proceeding, one or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision is non-arbitrable for public policy reasons, the party against whom the claim, counterclaim, or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims, or defenses or to proceed to litigate all claims, counterclaims, or defenses in a court having competent jurisdiction.

C. Punitive Damages.

Franchisor and Franchisee acknowledge that judgment upon an arbitration award may be entered in any court of competent jurisdiction and will be binding, final, and not appealable. Franchisor and Franchisee (and their respective owners and guarantors, if applicable) agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them, each will be limited to the recovery of actual damages sustained by it.

D. Enforcement of Franchise Agreement.

Notwithstanding the other provisions of this Section 19, Franchisee recognizes that the failure of a single franchisee to comply with the terms of its Pearce Bespoke Franchise Agreement would cause irreparable harm to Franchisor or to some or all other Pearce Bespoke franchisees. Franchisor and Franchisee therefore agree that, in the event of a breach or threatened breach of Sections 3, 8, 9, 12, 13, 14, 17, and/or 18 of this Agreement by Franchisee or in the event of any conduct by Franchisee which is illegal or is dishonest or misleading to Franchisee's customers or prospective customers or may impair the goodwill associated with the Marks, Franchisor may obtain a temporary, preliminary, or permanent injunction restraining such breach or obtain a decree of specific performance, without showing or proving any actual damage and without posting any bond or other security. The foregoing equitable remedy will be in addition to, and not in lieu of, all other remedies or rights which Franchisor might otherwise have by virtue of any breach of this Agreement by Franchisee.

E. Attorney's Fees.

The non-prevailing party will pay all costs and expenses, including reasonable attorney's fees, incurred by the prevailing party in any arbitration or action in court between Franchisor and Franchisee.

F. Reimbursement of Costs.

Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorneys' fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

20. **SEVERABILITY AND CONSTRUCTION**

A. Severability.

All provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent they are valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice period than is required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

B. Waiver.

Franchisor and Franchisee may by written instrument unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal, or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder, including any mandatory specification, standard or operating procedure, will constitute a waiver of any provision of this Agreement.

C. Cumulative Rights.

The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder will preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

D. Governing Law.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement and the franchise relationship will be governed by the laws of the state of Louisiana.

E. Binding Effect.

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest.

F. Consents.

Whenever a party's consent or approval is required under this Agreement, such consent or approval will not be unreasonably withheld or delayed.

G. Entire Agreement.

The "Background" section is a part of this Agreement which, together with exhibits, represents the entire agreement of the parties. This Agreement supersedes and terminates any prior oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. No modification of this Agreement will be effective unless it is in writing and signed by Franchisor and Franchisee. The term "Franchisee" as custom herein is applicable (where relevant) to one or more persons, a corporation,

or a partnership. References to "Franchisee," "assignees," and "transferees" which are applicable to an individual or individuals mean the principal owner or owners of the equity or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is a corporation or partnership. If Franchisee consists of more than one individual, all individuals will be bound jointly and severally by the provisions of this Agreement.

H. Consent to Do Business Electronically.

The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Louisiana, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement and its Attachments, and by attaching their signature electronically to the Franchise Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on an electronic signature as the respective party's signature.

21. **NOTICES**

All notices required under this Agreement must be in writing addressed to Franchisor at its corporate headquarters or to Franchisee at the last known address of Franchisee and will be deemed given: (i) if personally delivered on the date delivered, (ii) if sent in the United States mail, by certified mail, postage prepaid, three (3) business days after it is sent, (iii) if sent by a recognized overnight delivery service which requires a written receipt, one (1) business day after it is sent, or (iv) if sent electronically, on the date delivered to the authorized email address. You may change your notice address by giving written notice under this Section.

IN WITNESS WHEREOF, Franchisor and Franchisee have signed this Agreement as of the day and year first above written.

This is a legal document which grants specific rights to and imposes certain obligations upon Franchisor and Franchisee. Consult legal counsel to be sure that you understand your rights and duties.

FRANCHISOR		**FRANCHISEE**
PEARCE BESPOKE FRANCHISING, LLC		
Signature:		**Signature:**
Name:		**Name:**
Title:		**Title:**
Date:		**Date:**

ATTACHMENT A - FRANCHISEE SPECIFIC TERMS

Effective Date

Franchise Fee:

Territory 1*	$55,900
Territory 2	$50,900
Territory 3	$45,900
Territory 4	$40,900
Territory 5	$35,900
Territory 6 +	$30,900

*Population from 50,000 to 200,000 individuals

Franchisee Name:

Doing Business As (DBA):

Ownership of Franchise:

Owner Name	**Ownership Percentage**
	%
	%
	%

Franchisee Address:

Franchisee Phone:

Franchisee Email:

Principal Executive:

Designated Representative:

Franchised Territory Map:

FRANCHISOR	**FRANCHISEE**
PEARCE BESPOKE FRANCHISING, LLC	
Signature:	**Signature:**
Name: Nathan Pearce	**Name:**
Date:	**Date:**

ATTACHMENT B - PERSONAL GUARANTY OF OWNER/SHAREHOLDER

This Personal Guaranty and Assumption of Obligations (this "Guaranty") is given by the undersigned individuals identified as the owners of Franchisee in Attachment A.

In consideration of, and as an inducement to, the execution of that certain franchise agreement of even date herewith ("Franchise Agreement") by the parties listed as Franchisor and Franchisee in the Franchise Agreement, the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and, including any renewal thereof, as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Franchise Agreement (collectively, the "Franchise Documents"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

1. acceptance and notice of acceptance by Franchisor of the foregoing undertakings.
2. notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed.
3. protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guaranteed.
4. any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
5. any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

1. the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee's obligations.
2. the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so.
3. this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding.
4. such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
5. such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Franchise Agreement.

This Guaranty shall be governed, construed, and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature as dated below.

GUARANTOR(S):

Signature:

Name:

Date:

ATTACHMENT C – ELECTRONIC DEPOSITORY TRANSFER AUTHORIZATION FORM

Individual or Entity Name:

ID Number:

The undersigned depositor ("Depositor" or "Licensee") hereby authorizes Pearce Bespoke Franchising, LLC ("Licensor") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below, and the depository designated below ("Depository" or "Bank") to debit or credit such account(s) pursuant to Licensor's instructions. Please attach a voided blank check, for purposes of setting up bank and transit numbers.

Depository:

Branch:

City, State Zip:

Bank Transit/ABA Number:

Account Number:

This authority is to remain in full force and effect until 60 days after Licensor has received written notification from Licensee of its termination or expiration.

AGREED:

LICENSEE:
[FRANCHISEE ENTITY]

Signature:

Name:

Title:

Date:

ATTACH A VOID CHECK TO DEPOSITOR'S ACCOUNT.

ATTACHMENT D - PROVISIONS APPLICABLE TO SBA FINANCING

For the purpose of Franchisee's application for funding from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (the "SBA"), and at all times that the SBA has an interest in any SBA-assisted financing provided to Franchisee, Franchisor and Franchisee agree as follows:

1. With respect to a partial interest in the Franchised Business, Franchisor may exercise its option to purchase or its right of first refusal only if the proposed transferee is not a current owner or family member of a current owner of Franchisee.

2. If Franchisor's consent is required for any transfer (full or partial) of the Franchised Business, Franchisor will not unreasonably withhold such consent.

3. If the Franchisee owns the real estate where the Franchised Business operates, Franchisee will not be required to sell the real estate upon default or termination of the Franchise Agreement, but Franchisee may be required to lease the real estate for the remainder of the Term (excluding additional renewals) for fair market value.

4. If Franchisee owns the real estate where the Franchised Business operates, Franchisor has not and will not during the Term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental indemnification, control or use restrictions. If any such restrictions are currently recorded against Franchisee's real estate, they must be removed in order for Franchisee to obtain SBA financial assistance.

5. If Franchisee owns the real estate where the Franchised Business operates, the right of Franchisor to assume Franchisee's lease has not and will not during the Term of the Franchise Agreement be recorded against the real estate and may not include any attornment language unless it is subordinated to any SBA financial assistance.

6. For other than regularly scheduled payments and payments otherwise authorized in the Franchise Agreement, Franchisor does not have the authority to unilaterally share, commingle, or withdraw funds from Franchisee's bank account.

7. The Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business. Meaningful oversight includes the authority to:

i. Approve the annual budget of the Franchised Business;
ii. Have control over the bank accounts of the Franchised Business; AND
iii. Have oversight over the employees operating the Franchised Business (who must be employees of Franchisee).

Franchisee agrees that the Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business by requiring Franchisee to comply with quality, marketing, and operations standards that govern Franchisee's use of Franchisor's System.

EXHIBIT F

AREA DEVELOPMENT AGREEMENT AND ATTACHMENTS

PEARCE BESPOKE

AREA DEVELOPMENT AGREEMENT

between

PEARCE BESPOKE FRANCHISING, LLC

and

_____

Developer:_____

Development Area:_____

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Exhibits

Exhibit A – Franchisee-Specific Terms
Exhibit B – Payment and Performance Guarantee

Pearce Bespoke Franchising, LLC

AREA DEVELOPMENT AGREEMENT

THIS AGREEMENT (this "**Agreement**") is made and entered into as of the date set forth on Exhibit A to this Agreement (the "**Effective Date**") (Exhibit A and all exhibits and/or schedules attached to this Agreement are hereby incorporated by this reference) between Pearce Bespoke Franchising, LLC, a North Carolina limited liability company doing business as Pearce Bespoke ("**Franchisor**," "**we**," "**us**," or "**our**") and the person or entity identified in Exhibit A as the franchisee ("**Franchisee**" or "**you**") with its principal place of business as set forth in Exhibit A.

RECITALS

A. We and you have entered into a certain Franchise Agreement dated the same date as this Agreement (the "**Initial Franchise Agreement**"), in which we have granted you the right to establish and operate one Pearce Bespoke franchised business within the protected territory set forth in the Initial Franchise Agreement (a "**Mobile Franchise**").

B. We desire to grant to you the exclusive right to establish and operate a specified number of Businesses within a specified geographical area in accordance with a development schedule.

C. If you are a corporation, limited liability company, partnership, or other entity (collectively, an "**Entity**"), all owners of a legal and/or beneficial interest in the Entity (the "**Owners**") are listed in Exhibit A to this Agreement.

D. You desire to establish and operate additional Businesses upon the terms and conditions contained in our then-current standard franchise agreements (a "**Franchise Agreement**").

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

1. Grant of Development Rights and Development Area

Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to establish and operate in the area designated in Exhibit A to this Agreement (the "**Development Area**") the number of Businesses specified in the development schedule in Exhibit A (the "**Development Schedule**"). This Agreement does not grant you any right to use the Marks (as defined in your Initial Franchise Agreement) or the System (as defined in your Initial Franchise Agreement). Rights to use the Marks and the System are granted only by the Franchise Agreements.

2. Fees

Upon execution of this Agreement, you must pay us a development fee in the amount specified in Exhibit A (the "**Development Fee**"), which is based on the initial franchise fee you must pay for each Mobile Franchise that you develop (the "**Franchise Fee**", which is also specified in Exhibit A). The Development Fee will be credited towards 100% of the Franchise Fee due under the Franchise Agreement for each Mobile Franchise that you develop pursuant to this Agreement, including the Initial Franchise Agreement. The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Development Schedule.

3. Development Schedule and Deadlines

3.1 Development Schedule. You must enter into Franchise Agreements, and open and operate Businesses in accordance with the deadlines set forth in the Development Schedule. By each "Opening Deadline" specified in the Development Schedule, you must have the specified number of Businesses open and operating. Prior to opening additional Businesses in your Development Area, you must: (i) possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Mobile Franchise in our reasonable judgment; (ii) be in full compliance with all brand requirements at any existing Businesses you operate; and (iii) be in compliance with any Franchise Agreement or any other agreement entered into with us.

3.2 Damaged Operating Assets. If the equipment and/or vehicles ("**Operating Assets**") used in the operation of any Mobile Franchise in your Development Schedule are destroyed or damaged by any cause beyond your control such that they may no longer continue to be utilized for the operation of a particular Business, you must immediately give us notice of such destruction or damage ("**Destruction Event**"). You must diligently work to repair and replace the Operating Assets of your Mobile Franchise as soon as possible to resume operation of your Business. If a Mobile Franchise is closed due to a Destruction Event, the Mobile Franchise will continue to be deemed "in operation" for the purpose of this Agreement for up to 30 days after the Destruction Event occurs. If a Mobile Franchise (i) is closed in a manner other than those described in this Section 3.2 or as otherwise agreed by us in writing or (ii) fails to reopen within 30 days after a Destruction Event, then we may exercise our rights under Section 6.2 (Our Remedies). In the event the Operating Assets are completely destroyed or otherwise incapable of being repaired following a Destruction Event, we will not exercise the remedies set forth under Section 6.2 *provided, that* (a) within the 30 days after the Destruction Event you have made arrangements with us or our designated supplier to obtain new Operating Assets for use in your Business; and (b) you are open and operating your Mobile Franchise in the protected territory within ninety (90) days of the Destruction Event.

4. Development Area

4.1 Development Area. Except as provided in this Section 4.1, while this Agreement is in effect, provided that you open and operate the Businesses in accordance with the Development Schedule and the minimum number of Businesses that you have open and operating in the Development Area at any given time is not less than the minimum required pursuant to the Development Schedule, we will not operate, or license any person other than you to operate, a Mobile Franchise under the Marks (as defined in your Initial Franchise Agreement) and the System (as defined in your Initial Franchise Agreement) within the Development Area. Each Mobile Franchise you open will be granted a protected territory as set forth in the individual Franchise Agreement for that Business. This Agreement does not give you the right open or operate in any portions of the Development Area until you have signed a new Franchise Agreement which includes that portion of the Development Area as your protected territory.

4.2 No Other Restriction On Us. Except as expressly provided in Section 4.1 or any other agreement between the parties, we and our affiliates retain the right, in our sole discretion, to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Business. For example, we and our affiliates have the right to:

(a) Establish or license franchises and/or company-owned outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Development Area or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Development Area;

(b) Sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Development Area;

(c) Advertise, or authorize others to advertise anywhere, using the Marks;

(d) Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or Pearce Bespoke Businesses anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the Pearce Bespoke name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name; and

(e) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

5. Term

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

6. Termination

6.1 Events of Default. Any one or more of the following constitutes an "Event of Default" under this Agreement:

(a) You fail to have open and operating the minimum number of Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;

(b) An Event of Default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or

(c) You breach or otherwise fail to comply fully with any other provision contained in this Agreement.

6.2 Our Remedies. If any Event of Default occurs under Section 6.1, we may, at our sole election: (i) declare this Agreement and any and all other rights granted to you under this Agreement to be immediately terminated and of no further force or effect; (ii) terminate any exclusive or territorial rights that you may have within the Development Area or otherwise under this Agreement; and/or (iii) exercise any other remedy we may have in law or equity as a result of an Event of Default hereunder. Upon termination of this Agreement for any other reason whatsoever, we will retain the Development Fee and you will not be relieved of any of your obligations, debts, or liabilities hereunder, including without limitation any debts, obligations, or liabilities which have accrued prior to such termination. All rights and remedies of the parties hereto shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. The rights and remedies of the parties hereto shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. Notwithstanding anything to the contrary herein, a termination of this Agreement resulting from your failure to open and thereafter operate Businesses in accordance with the Development Schedule will not, in itself, constitute cause for us to terminate any previously executed Franchise Agreement in effect at the time of such termination.

7. Assignment; Our Right of First Refusal

7.1 Rights Personal to You. This Agreement and the rights granted to you under this Agreement are personal to you and neither this Agreement, nor any of the rights granted to you hereunder nor any controlling equity interest in you may be voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by you without our prior written approval, which we may grant or withhold for any or no reason.

7.2 Our Right of First Refusal.

(a) If you receive, and desire to accept, from a third party a bona fide offer to transfer any of your rights in this Agreement, you shall promptly notify us in writing and send us an executed copy of the contract of transfer. We shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification or of the executed contract of transfer which shall describe the terms of the offer, to send written notice to you that we intend to purchase your interest on the same terms and conditions offered by the third party.

(b) Closing on the purchase must occur within sixty (60) days from the date of notice by us to you of our election to purchase. If we elect not to accept the offer within the thirty (30) day period, you shall have a period not to exceed sixty (60) days to complete the transfer subject to our approval of the

third-party transferee of your rights, which may be withheld in our sole discretion. Any material change in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of an initial offer.

(c) Our failure or refusal to exercise the option afforded by this Section 7 shall not constitute a waiver of any other provision of this Agreement.

(d) If the offer from a third-party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or any publicly-traded securities, including its own, or intangible benefits similar to those being offered. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by an independent appraiser designated by us, and such appraiser's determination shall be binding.

7.3 Our Rights to Assign Unrestricted. We may assign this Agreement or any ownership interests in us without restriction.

8. Incorporation of Other Terms

The entire Initial Franchise Agreement is incorporated by reference in this Agreement and will govern all aspects of our relationship and the construction of this Agreement as if fully restated within the text of this Agreement.

9. Miscellaneous

Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Initial Franchise Agreement. This Agreement, together with the Initial Franchise Agreement, supersedes all prior agreements and understandings, whether oral and written, among the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements among the parties relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document that we delivered to you or your representatives. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

[Signature page follows]

Signature Page to Area Development Agreement

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

FRANCHISOR

PEARCE BESPOKE FRANCHISING LLC

By:_____

Name:_____

Title:_____

Date:_____

FRANCHISEE
(IF ENTITY):

_____
[Name]

By:_____

Name:_____

Title:_____

Date:_____

(IF INDIVIDUALS):

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____
Print Name: _____
Date: _____

Exhibit A to the Area Development Agreement

FRANCHISEE SPECIFIC TERMS

Effective Date (First Paragraph):_____

Franchisee's Name:_____

Franchisee's State of Organization ***(if applicable):*** _____

Development Area (Section 1): [*provide list of counties or zip codes which make up the Development Area] [attach map if necessary]*_____
_____
_____
_____

Total Development Fee (Section 2): $_____

Development Schedule (Section 3): You agree to establish and operate a total of _____ Businesses within the Development Area during the term of this Agreement. The Businesses must be open and operating in accordance with the following Development Schedule**:**

MINIMUM NUMBER OF BUSINESSES The minimum number of Businesses open and operating by each Opening Deadline	**OPENING DEADLINE** Deadline for having the minimum number of Businesses open and operating (Month Date, Year)
1	
2	
3	
4	
5	
6	
	_____ (the Expiration Date of the Agreement)

Ownership of Franchisee (Recital C): If the franchisee is an Entity, the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

Name	Percentage Ownership
_____	_____%
_____	_____%
_____	_____%
_____	_____%

Other Terms:

[Signature page follows]

Signature Page to Exhibit A – Franchisee Specific Terms

FRANCHISOR

PEARCE BESPOKE FRANCHISING LLC

By:_____

Name:_____

Title:_____

Date:_____

FRANCHISEE
(IF ENTITY):

_____
[Name]

By:_____

Name:_____

Title:_____

Date:_____

(IF INDIVIDUALS):

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Exhibit B to the Area Development Agreement

PERSONAL GUARANTY OF OWNER/SHAREHOLDER

This Personal Guaranty and Assumption of Obligations (this "**Guaranty**") is given this ____ day of _____, _____, by _____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith ("**Agreement**") by Pearce Bespoke Franchising, LLC ("**Franchisor**"), a North Carolina limited liability company, and _____, a _____ ("**Franchisee**"), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Agreement and, including any renewal thereof, as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Agreement (collectively, the "**Franchise Documents**"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

1. acceptance and notice of acceptance by Franchisor of the foregoing undertakings;

2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guarantied;

3. protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guarantied;

4. any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability;

5. any and all other notices and legal or equitable defenses to which the undersigned may be entitled;

The undersigned consents and agrees that:

1. the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee's obligations;

2. the undersigned shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

3. this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;

4. such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

5. such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to

Franchisee or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Area Development Agreement or Franchise Agreement.

This Guaranty shall be governed, construed, and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature as dated below.

GUARANTOR(S)

Signature:_____

Name:_____

Date:_____

Signature:_____

Name:_____

Date:_____

EXHIBIT G

FORM OF GENERAL RELEASE

GENERAL RELEASE OF CLAIMS

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release of Claims ("Release") is made as of the date signed below, by the individual or entity listed below as franchisee ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Pearce Bespoke Franchising, LLC ("Franchisor," and together with Releasor, the "Parties"). This General Release of Claims will not apply to claims arising under the Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder.

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Pearce Bespoke business;

WHEREAS, [Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement] OR [the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release], and Franchisor has consented to such; and

WHEREAS, as a condition to Franchisor's consent, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties**. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release**. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the

offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

3. **Nondisparagement**. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. **Confidentiality**. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. **Miscellaneous**.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the state where the Franchised Business is located.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

[WASHINGTON STATE FRANCHISEES: THIS RELEASE SHALL NOT APPLY TO CLAIMS ARISING UNDER THE FRANCHISE INVESTMENT PROTECTION ACT,

CHAPTER 19.100 RCW, OR THE RULES ADOPTED THEREUNDER IN ACCORDANCE WITH RCW 10.100.220(2).]

[Signature Page follows]

Signature Page to General Release Form

IN WITNESS WHEREOF, Releasor has executed this Release as of the date signed below.

FRANCHISEE:

[FRANCHISEE]

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE'S OWNERS:
(add more lines signature lines as necessary)

Signature: _____

Name: _____

Date: _____

Signature: _____

Name: _____

Date: _____

EXHIBIT H

FORM OF CONFIDENTIALITY AND NON-COMPETITION

[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE.]

PEARCE BESPOKE

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

[Sample ONLY]

This Agreement (the "Agreement") is entered into by the undersigned ("you") in favor of:

[On the Line Below, Insert Name of Franchisee that Owns and Operates the Pearce Bespoke Franchised Business]

_____ (hereinafter referred to as "us", "our" or "we")

Recitals and Representations

WHEREAS, we are the owners of a licensed Pearce Bespoke Business (hereinafter referred to as the "Pearce Bespoke Business") that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a Pearce Bespoke Business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our franchisor, Pearce Bespoke Franchising, LLC is not a party to this agreement and does not own or manage the Pearce Bespoke Business but is an intended third-party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the Pearce Bespoke Business.

NOW THEREFORE, you acknowledge and agree as follows:

1. Recitals and Representations. You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Business Management System" refers to and means the software and/or internet or cloud-based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the Pearce Bespoke Business.

"Business Management System Data" refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the Pearce Bespoke Business.

"Confidential Information" refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the Pearce Bespoke; (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the Pearce Bespoke; (c) customer lists and information related to the Pearce Bespoke Business; (d) Business Management System Data; I current and future information contained in the Pearce Bespoke Operations Manual made available to the Pearce Bespoke Business by Pearce Bespoke Franchising, LLC; and (e) production and service procedures that are not disclosed to the public but used

by the Pearce Bespoke Business.

"*Digital Media*" refers to and means any interactive or static electronic document, application or media including, but not limited to, www.pearcebespoke.com, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the Pearce Bespoke or other Pearce Bespoke Businesses.

"Licensed Marks" refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a Pearce Bespoke, including, but not limited to, the "Pearce Bespoke" word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a Pearce Bespoke Business.

"Operations Manual" refers to and means the confidential operations manual made available to the Pearce Bespoke Business by our franchisor or as otherwise designated by us. The Operations Manual may consist of one of more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet-based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced, or supplemented.

"Trade Dress" refers to and means the Pearce Bespoke designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the Pearce Bespoke Business.

3. Your Access to Confidential Information. In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the Pearce Bespoke that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

4. Protection of the Confidential Information. You agree that: (i) you will not use the Confidential Information in any business or capacity other than the Pearce Bespoke Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

5. Reasonableness of Covenants and Restrictions. You agree that: (i) the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable, or otherwise unenforceable.**

6. Breach. You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our franchisor, Pearce Bespoke Franchising, LLC, and other Pearce Bespoke franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our franchisor, Pearce Bespoke Franchising, LLC, to injunctive relief. You agree that we and/or our franchisor, Pearce Bespoke Franchising, LLC, may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of the bond shall not exceed one thousand dollars ($1,000.00). None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages.

7. Miscellaneous.

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in

such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

(b) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.

YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, PEARCE BESPOKE FRANCHISING, LLC, IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD-PARTY BENEFICIARY OF THIS AGREEMENT.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

RESTRICTED PARTY

Signature: _____

Name: _____

Date: _____

EXHIBIT I

STATE SPECIFIC ADDENDA AND RIDERS

The following modifications are made to this Disclosure Document given to you and may supersede certain portions of the Franchise Agreement between you and us dated as of the Effective Date set forth in your Franchise Agreement. When the term "Franchisor's Choice of Law State" is used, it means the laws of the state of Louisiana, subject to any modifications as set forth in the addenda below. When the term "Supplemental Agreements" is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. These State Specific Addenda ("Addenda") modify the agreements and all related agreements to comply with the state's laws. The terms of these Addenda will only apply if you meet the requirements of the applicable state, independent of your signing the appropriate Addenda. The terms of the Addenda will override any inconsistent provision in the FDD, Franchise Agreement, or any Supplemental Documents. These Addenda are only applicable to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. The Addenda applies to all related agreements.

If applicable, you will sign the signature page to the Addenda along with the Franchise Agreement and any Supplemental Agreements.

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

The Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

3. Item 3 is amended to add:

Neither Franchisor nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 17 is amended to state:

(a) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

(b) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.

(d) The Franchise Agreement requires application of the laws of Louisiana. This provision may not be enforceable under California law.

4. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our preopening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

5. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

6. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

7. 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. See NASAA STATEMENT OF POLICY REGARDING THE USE OF FRANCHISE QUESTIONNAIRES AND ACKNOWLEDGMENTS.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE STATE OF HAWAII

SINCE THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS, AS OF , DECEMBER 31, 2024, INDICATE THE FRANCHISOR'S LIABILITIES EXCEED ITS ASSETS, A DEFERRAL OF THE PAYMENT OF THE INITIAL FRANCHISE FEE AND ANY OTHER INITIAL PAYMENTS MADE BY THE FRANCHISEE TO THE FRANCHISOR WILL NOT BE REQUIRED UNTIL ALL OF THE PRE-OPENING OBLIGATIONS OF THE FRANCHISOR HAVE BEEN SATISFIED AND THE FRANCHISE HAS OPENED FOR BUSINESS IN ACCORDANCE WITH THE HAWAII REVISED STATUTES (HRS) 482E-8 (E).

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:	FRANCHISOR:
_____	PEARCE BESPOKE FRANCHISING LLC
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

Illinois law shall apply to and govern the Franchise Agreement.

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

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

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

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

Based upon Franchisor's financial condition, the Illinois Office of the Attorney General has required a Surety Bond be executed and on file with them in the amount of the initial (and development) fee multiplied by the number of franchises to be sold in Illinois.

AMENDMENT TO THE PEARCE BESPOKE FRANCHISING LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the "Act"), which govern the attached Board and Brush Creative Studio Franchise Agreement (the "Franchise Agreement"), the parties thereto agree as follows:

1. To the extent of any inconsistences, the Franchise Agreement is hereby amended to further state:

"Section 4 of the Act provides that no franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois."

2. To the extent of any inconsistences, the Franchise Agreement is hereby amended to further state:

"Illinois law governs the terms of this Franchise Agreement."

3. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

"Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

"To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control."

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

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

7. Based upon Franchisor's financial condition, the Illinois Office of the Attorney General has required a Surety Bond be executed and on file with them in the amount of the initial (and development) fee multiplied by the number of franchises to be sold in Illinois.

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The parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

PEARCE BESPOKE FRANCHISING LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE INDIANA FRANCHISE DISCLOSURE LAW AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT

The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-2-2.7 (1985) (collectively referred to as the "Acts"). To the extent that (a) the jurisdictional requirements of the Acts are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) To the extent the Franchise Agreement contains provisions allowing the establishment of franchisor-owned outlets that are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(2), the requirements of this section of the Indiana Act will control.

(b) The franchisor may not make any substantial modification of the Franchise Agreement without the franchisee's written consent.

(c) To the extent any provision regarding renewal or termination of the Franchise Agreement is inconsistent with the Indiana Deceptive Franchise Practices Act §§ 23-2-2.7(7) and (8), the provisions of these sections of the Indiana Act will control.

(d) Any requirement in the Franchise Agreement that requires the franchisee to prospectively assent to a release, assignment, novation, wavier or estoppel shall not relieve any person from liability arising under the Acts.

(e) To the extent the covenants not to compete upon expiration or termination of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(9), the provisions of this section of the Indiana Act will control.

(f) To the extent that any provision of the Franchise Agreement would be deemed unenforceable pursuant to the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10), as this section of the Indiana Act is interpreted and applied, such provision of the Franchise Agreement shall be so deleted therefrom.

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

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Maryland Franchise Law"). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. Item 17 is amended to state:

   (a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.
   (b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.
   (c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.).

2. Item 5 is amended to state that:

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

3. Included in the *Special Risks to Consider* section is the following:

   Significant Expansion. During the last 2 years, the franchisor expanded significantly and plans to continue to expand aggressively. This franchise is likely to be a riskier investment than a franchise that grows gradually.

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

5. Item 17 is hereby amended to state: "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

THE REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT WITH MARYLAND SECURITIES DIVISION OF THE OFFICE OF ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE SECURITIES COMMISSIONER.

AMENDMENT TO THE PEARCE BESPOKE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Pearce Bespoke Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee's assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in this Disclosure Document or the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

> "Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.)."

3. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

> "Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland."

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

> "Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise."

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

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

7. Section 4 of the Franchise Agreement relating the payment of the Initial Franchise fee is hereby amended to state that the Franchisor will defer collection of the Initial Franchise Fee until Franchisor has fulfilled its initial pre-opening obligations and Franchisee may open for business.

8. To the extent of inconsistencies, the Franchisee Acknowledgement Statement is hereby amended to state that 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.

9. 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.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

Pearce Bespoke Franchising, LLC

By:_____

Nathan Pearce , Chief Executive Officer
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____

(Print Name)

AMENDMENT TO THE PEARCE BESPOKE AREA DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Pearce Bespoke (the "Area Development Agreement") agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee's assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in the Area Development Agreement such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Area Development Agreement is hereby amended to further state:

> "Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.)."

3. To the extent of any inconsistencies, the Area Development Agreement is hereby amended to further state:

> "Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland."

4. To the extent of any inconsistencies, the Area Development Agreement is hereby amended to further state:

> "Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise."

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

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

7. Section 2 of the Area Development Agreement is hereby amended to state that the Franchisor will defer collection of the Franchise Fee until the first franchise under the development agreement opens.

8. To the extent of inconsistencies, the Area Development Agreement is hereby amended to state that 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.

9. 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.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Area Development Agreement on the same date as that on which the Area Development Agreement was executed.

FRANCHISOR:
Pearce Bespoke Franchising, LLC

By:_____

Nathan Pearce , Chief Executive Officer
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____

(Print Name)

ADDENDUM TO THE PEARCE BESPOKE FRANCHISING LLC DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MICHIGAN

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

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

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

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

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

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

FRANCHISOR:
PEARCE BESPOKE FRANCHISING, LLC

By:_____
Name: Nathan Pearce
Title: Chief Executive Officer

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

ADDENDUM TO THE PEARCE BESPOKE FRANCHISING LLC DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. In the State of Minnesota, we will defer the payment of the initial franchise fee, development fee, and any other initial payment until all of our material pre-opening obligations have been satisfied and our business is open and operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

2. Item 6, Non-Sufficient Funds Fee, is amended to state:

Pursuant to Minn. Stat. § 604.113, the Non-Sufficient Funds Fee is $30.00 per occurrence.

3. Item 17 is amended to state:

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

(b) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we will give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your Board and Brush Creative Studio.

(c) In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.

(d) In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.

(e) Minn. Stat. § 80C.17 subd. 5 requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.

(f) You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400(J),

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

FRANCHISOR:
PEARCE BESPOKE FRANCHISING, LLC

By:_____

Name: Nathan Pearce

Title: Chief Executive Officer

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

ADDENDUM TO THE PEARCE BESPOKE FRANCHISING LLC DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NEW YORK

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

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating

to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

9. Item 12 is hereby amended to state the following:

"If the franchisor does not grant an exclusive territory under the multi-unit offering, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control."

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

11. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the Rev. April 2, 2024 time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

FRANCHISOR:
PEARCE BESPOKE FRANCHISING, LLC

By:_____

Name: Nathan Pearce

Title: Chief Executive Officer

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

ADDENDUM TO THE PEARCE BESPOKE FRANCHISING LLC DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NORTH DAKOTA

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, NDCC § 51-19 *et seq.* ("NDFIL"). To the extent that (a) the jurisdictional requirements of the NDFIL are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

1. Covenants not to compete upon termination or expiration of the franchise agreement are subject to NDCC § 9-08-06.

2. To the extent required by the NDFIL, arbitration proceedings shall take place at a location mutually agreed upon by you and us.

3. Any requirement that you consent to liquidated damages or termination penalties shall not apply to the extent prohibited by the NDFIL;

4. Any requirement that you consent to (i) the jurisdiction of courts outside of North Dakota, (ii) the application of laws of a state other than North Dakota, (iii) waiver of jury trial or (iv) waiver of exemplary and punitive damages shall not apply to the extent prohibited by the NDFIL;

5. Any release required as a condition to a renewal of the franchise agreement shall not apply to the extend prohibited by the NDFIL;

6. Any requirement that you consent to a limitation of claims shall not apply to the extent prohibited by the NDFIL. As applicable, the statute of limitations under North Dakota law shall control.

7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.

8. 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.

9. The North Dakota Securities Commissioner requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

10. The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

FRANCHISOR:
PEARCE BESPOKE FRANCHISING, LLC

By:_____

Name: Nathan Pearce

Title: Chief Executive Officer

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

ADDENDUM TO THE PEARCE BESPOKE FRANCHISING LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of The Tox Franchising Group, LLC ("we," "us," or "our") for use in the State of Rhode Island shall be amended to include the following:

1. Items 17v. and 17w., under the provisions entitled "Choice of law" and "Choice of forum," shall be supplemented with the following language:

> However, you may sue us in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

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

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

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

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AMENDMENT TO THE
THE PEARCE BESPOKE FRANCHISING LLC FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached The Tox Franchising Group, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The following language shall be added at the end of Section 20.3 of the Franchise Agreement:

> Notwithstanding the above, Rhode Island franchisees are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

The parties hereto have duly executed this Rhode Island Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

ADDENDUM TO THE PEARCE BESPOKE FRANCHISING LLC DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE STATE OF VIRGINIA

The following statements are added to Item 17.h.

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

FRANCHISOR:
PEARCE BESPOKE FRANCHISING, LLC

By:_____

Name: Nathan Pearce

Title: Chief Executive Officer

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

ADDENDUM TO THE PEARCE BESPOKE FRANCHISING LLC DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND ANY RELATED AGREEMENTS REQUIRED BY THE STATE OF WASHINGTON

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release**. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial**. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee**. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions**. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term

of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing**. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages**. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement**. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification**. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees**. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

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

16. **Questionnaires and Acknowledgments**. 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.

17. **Prohibitions on Communicating with Regulators**. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Fee Deferral**. Pursuant to RCW 19.100.050 and WAC 460-80-400, the Division requires that the Franchisor defer collection of all initial franchise fees until the Franchisor has fulfilled its pre-opening obligations to Franchisee, and the Franchisee is open for business. Franchisor shall prorate the Development Fee, such that the Franchisee will pay the Franchisor the Development Fee proportionally upon the opening of each unit franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:
PEARCE BESPOKE FRANCHISING, LLC

By:_____

Name: Nathan Pearce

Title: Chief Executive Officer

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

SIGNATURE PAGE FOR APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, and any Supplemental Agreements entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California	☐ Michigan	☐ Rhode Island
☐ Hawaii	☐ Minnesota	☐ South Dakota
☐ Illinois	☐ New York	☐ Virginia
☐ Iowa	☐ North Dakota	☐ Washington
☐ Indiana	☐ Ohio	☐ Wisconsin
☐ Maryland		

Date:_____

FRANCHISOR:
PEARCE BESPOKE FRANCHISING, LLC

By:_____

Nathan Pearce , Chief Executive Officer
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

EXHIBIT J

FRANCHISEE ACKOWLEDGMENT STATEMENT

***Do not complete or sign this Acknowledgment Statement if you are a resident of Maryland or the business is to be operated in Maryland.**

***VOID IN THE STATES OF CALIFORNIA, HAWAII, & WASHINGTON**

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

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

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

_____
Initial

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

_____
Initial

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

_____
Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

_____
Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

_____
Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

_____
Initial

7. Franchisee acknowledges that it has received the Pearce Bespoke Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

_____
Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

_____
Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

_____
Initial

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

_____
Initial

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

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Initial

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

_____
Initial

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

Date:_____

STATE EFFECTIVE DATES

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

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

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

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

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 Pearce Bespoke Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Pearce Bespoke 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 any applicable state agency.

This franchise is being offered by the following seller(s) at the principal business address and phone number listed below:

Nathan Pearce
7959 Palm Park Lane, Baton Rouge, LA 70809
info@pearcebespoke.com
(205) 919-2949

Franchise Brokers, Consultants, or Franchise Development Company Representatives (if any):

Name:

Address:

Phone:

Issuance Date: April 30, 2026

I received a Disclosure Document dated April 30, 2026 that included the following Exhibits:

4. Financial Statements
5. List of State Administrators and Agents for Service of Process
6. List of Current and Former Franchisees
7. Operations Manual Table of Contents
8. Franchise Agreement with Attachments
9. Area Development Agreement
10. Form of General Release
11. Form of Confidentiality and Noncompete Agreement
12. State Specific Addenda
13. Franchisee Acknowledgment Statement

State Effective Dates

Receipt

Signature: _____

Print Name: _____

Date Received: _____

PLEASE SIGN AND KEEP THIS COPY FOR YOUR RECORDS.

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RETURN THIS COPY TO US