

FRANCHISE DISCLOSURE DOCUMENT



Cheeky Monkeys Franchise Systems LLC d/b/a
Cheeky Monkeys
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This disclosure document provides information about a franchise for the operation of a “Cheeky Monkeys®” Franchised Business, which is a children’s “edutainment” play center and birthday party and special event venue.

The total investment necessary to begin operation of a franchised Cheeky Monkeys® Franchised Business ranges from \$723,550 to \$1,122,000. This includes a non-refundable Initial Franchise Fee of \$63,000 to \$67,000 that must be paid to the franchisor or its affiliate. See Item 5.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.** You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Martin Trevino, at (469) 304-1461 and via email at franchise@cheekymonkeys.us.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTCHELPHelp 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.

The issuance date of this Franchise Disclosure Document is: August 25, 2025.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
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 E 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 Cheeky Monkeys business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Cheeky Monkeys franchisee?	Item 20 or Exhibit F 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 C.

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

Special Risks to Consider About *This Franchise*

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

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

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.

CHEEKY MONKEYS®
FRANCHISE DISCLOSURE DOCUMENT

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

The Franchisor

Cheeky Monkeys Franchise Systems LLC (“us,” “our” or “we”) is the franchisor.

We are a limited liability company that was formed in Texas. We maintain our principal place of business at 535 Talbert Drive, Suite 301, Plano, Texas 75093. We conduct business under the name “Cheeky Monkeys” and under the name and mark “Cheeky Monkeys®,” and we do not conduct business under any other names. Our agents for service of process are listed in Exhibit D.

We offer franchises for the development and operation of children’s “edutainment” play centers that operate under the name “Cheeky Monkeys®” (the “Franchised Business”), which are venues for “pay-per-use” play and birthday party celebrations or other special events, among other products and services that we may periodically approve (the “Products and Services”). We began to offer these franchises in the United States in June 2021.

We do not offer and have not in the past offered any franchises other than as described in this disclosure document. We have never offered franchises in any other line of business. We do not have any other business activities. Other than our involvement in franchising support and consulting, we do not engage and have not in the past engaged in any business activity other than these franchising activities.

Our Predecessors and Affiliates

Our parent company is Playtime Hospitality, LLC. It is a limited liability company that was formed in Texas. Its principal place of business is the same as ours. It does not offer franchises in any line of business. It has never operated the type of business that is described under this disclosure document. Playtime Hospitality, LLC owns the Marks, and is referred to as “IP Owner” in Item 13 and other sections of this disclosure document.

One of our affiliates is Cheeky Monkeys LLC. It is a limited liability company that was formed in Delaware. Its principal place of business is the same as ours. It does not offer franchises in any line of business. It has never operated the type of business that is described under this disclosure document. We or our affiliate may at some point transfer ownership of the Marks to Cheeky Monkeys LLC.

Another of our affiliates is Cheeky Monkeys Franchise LLC. It is a limited liability company that was formed in Delaware. Its principal place of business is the same as ours. It does not offer franchises in any line of business. It has never operated the type of business that is described under this disclosure document.

The Cheeky Monkeys company-owned locations in the United States are each owned by the following five affiliates: Edutainment 1 Management Services, LLC, Edutainment 2 Management Services, LLC, Edutainment 3 Management Services, LLC, Edutainment 4 Management Services, LLC, Edutainment 5 Management Services, LLC, and Edutainment 6 Management Services, LLC. Each of these entities is a limited liability company that was formed in Texas, and they all operate Cheeky Monkeys businesses in Texas. None of these entities offers franchises in any line of business or offers products or services to franchisees.

Our affiliate, Cheeky Monkeys Management Services LLC (CMMS), which is located at P.O. Box 450336, Dubai UAE, offers Cheeky Monkeys franchises outside of the United States. It does not offer

franchises in any other line of business. It has never operated the type of business that is described under this disclosure document.

We have other affiliates that operate Cheeky Monkeys businesses internationally, such as Cheeky Monkeys Philippines Inc, (“CMPI”), which is located at 217-220 Metlive Bldg., Metropolitan Park Macapagal Blvd, Pasay City, Philippines. None of these entities offers franchises in any line of business or offers products or services to franchisees.

The other business activities of our affiliates generally include managing children’s edutainment businesses and related children’s retail businesses.

We do not have any other parents or predecessors that are required to be disclosed in this Item.

The Franchise Rights Offered

We offer qualified individuals and entities the right to open and operate a single Franchised Business at a specific location under the terms of the Cheeky Monkeys® Franchise Agreement (“Franchise Agreement”). A copy of the Franchise Agreement is attached as Exhibit A to this disclosure document. You must operate the Franchised Business under the standards, specifications, products and services, methods, procedures, technology and intellectual property prescribed by us relating to the establishment, development and operation of a Franchised Business (the “System”), which includes methods of training, advertising and promotion, distinctive types of facilities, interior and exterior layouts, trade dress, signs, equipment (including the Computer System and POS System), packaging, supplies, furnishings, fixtures, décor, Confidential Information, business techniques, methods and procedures, lesson plans, curricula, programs, and sales promotion programs, all of which the Franchisor may modify, change, improve and further develop using the trade name, and trademark “Cheeky Monkeys®.”

The System is identified by certain trade names, service marks, trademarks, logos and emblems, including the mark “Cheeky Monkeys®” (the “Marks”). In the future, we may designate the use of new or additional Marks for use with the System. The Franchise Agreement gives you the right to use the Marks and the System solely in the operation of the Franchised Business, and only from a location which we approve.

Market and Competition

You can expect to compete in your market with locally-owned businesses, as well as with national and regional chains, that offer children’s entertainment and educational services, including those that specialize in “pay-per-use” play and birthday party celebrations, as well as other related services that may not be offered at a Cheeky Monkeys. The market for these businesses is developing and highly competitive. Children’s entertainment businesses compete on the basis of many factors, such as price, service, location, quality, promotions and marketing programs. These businesses are often affected by other factors as well, such as changes in consumer taste and economic conditions.

Industry-Specific Regulations

You must comply with all local, state, and federal laws that apply to your Franchised Business operations, including, for example, zoning, health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must obtain real estate permits (e.g., zoning), real estate licenses, and operational licenses. There also may be regulations that pertain to sanitation, labeling, food handling, waste disposal, and environmental compliance. Certain states

or local jurisdictions may enact or impose laws, regulations, or rules directed toward owners and operators of Franchised Businesses and/or retail stores that operate as a chain, or under a similar brand name, even if the other locations in the chain are not in the same jurisdiction or state. These laws, regulations, or rules may regulate minimum wages, employee benefits, and other labor or employment practices, menu labeling or food content, or other aspects of your business. You should consult with your attorney concerning all federal, state, and local laws and ordinances that may affect your Franchised Business's operation.

ITEM 2 **BUSINESS EXPERIENCE**

Chief Executive Officer

Naji Khattar

Mr. Khattar has been our Chief Executive Officer since April 2025. He was previously our Chief Operating Officer from March 2023 until April 2025. From July 2022 until February 2023, he was a Talent Acquisition Manager with ZEROGATE Management Services in Dubai, UAE. From March 2020 until June 2022, he was a Consultant with ZEROGATE Management Services in Dubai, United Arab Emirates. From April 2008 until June 2022, was also a Flight Purser with Emirates Airline in Dubai, United Arab Emirates

Chief Strategy Officer

Fahim Ali

Mr. Ali has been our Chief Strategy Officer since September 2023. He is based in Dallas, Texas. Prior to that, he worked as a Business Analysis Associate in the Health Division with Mathematica in Washington, DC from June 2022 to September 2023. Mr. Ali received his undergraduate degree in International Studies with a focus in Global Health and Information Technology from the American University in Washington, DC, and was enrolled as a student there from August 2018 until June 2022.

Director of Franchise Operations and Development

Martin Trevino

Mr. Trevino has been our Director of Franchise Operations and Development since March 2023. (This position was previously referred to as "Vice President" of Franchise Operations and Development.) He is currently based in Dallas, Texas. Previously, he was an independent consultant in Frisco, Texas from January 2020 until February 2023. Mr. Trevino took a sabbatical from September 2019 until January 2020. Prior to that, Mr. Trevino was the Director of International Operations for CEC Entertainment in Irving, Texas from March 2012 until September 2019.

Director of Human Resources and Training

Sofia Ali

Ms. Ali has been our Director of Human Resources and Training since July 2023. (This position was previously referred to as "Head" of Human Resources and Training). She is based in Dallas, Texas. Prior to that, she was an Instructional Designer and Educator for Aga Khan Council for the USA, Far East Asia, and Bangladesh in Kuala Lumpur, Malaysia from August 2022 until July 2023. Previously, from September 2019 until August 2022, Ms. Ali was an Instructional Designer and Educator for Aga Khan Council for the USA in Houston, Texas.

ITEM 3 **LITIGATION**

Cheeky Monkey Management Services LLC and Fun Grow Capital Investment LLC v. Shezad Inayat Ali Abdulla (our former CEO, who passed away in 2025), Cheeky Monkeys Franchise Systems, LLC and Playtime Hospitality, LLC, District Court of Collin County, Texas, Case No. 380-06976-2023 (Filed on Nov. 22, 2023). Plaintiffs were investors in the franchisor's affiliate. They alleged that Mr. Abdullah

engaged in certain conduct, including making misrepresentations about the ownership interests in the franchisor and its affiliates, effectuating certain transfers of ownership interests, and misappropriating funds. They raised the following causes of action: (1) breach of fiduciary duty, (2) fraud, (3) violation of the Theft Liability Act, and (4) civil conspiracy and aiding and abetting. They have also demanded access to the books and records of the defendants. They seek money damages in excess of \$1,000,000 as well as the equitable remedy of rescission of a contract and other relief. The defendants intend to vigorously defend against these allegations. This matter is currently abated.

Other than the action above, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

The initial franchise fee (“Initial Franchise Fee”) for a Franchised Business is \$40,000 and is payable in a lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned when paid and is not refundable.

The initial fees are uniform for new franchisees.

ITEM 6
OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty	6% of all Revenues	Monthly, by the 15th day of each calendar month during the Term	See Note 2.
Local Marketing Requirement	Currently 1% of Revenues, will not exceed 2%	Monthly, by the 15th day of each calendar month during the Term	See Note 2. You must spend at least the amount that we specify promoting your Franchised Business. We may require that you provide us with a statement of local marketing expenditures during a given period. If, in our judgment, you have not satisfactorily demonstrated that you have satisfied the Local Marketing Requirement, we may invoice you for the difference between the Local Marketing Requirement and your actual expenditures, and we will spend that amount on local marketing expenditures in your Territory that we elect.

Name of Fee	Amount	Due Date	Remarks
Marketing Fund Contribution	Currently 1% of Revenues, will not exceed 3% of Revenues (once the Marketing Fund has been established)	Monthly, by the 15th day of each calendar month during the Term	See Note 2. You must participate in any Marketing Fund that we establish. We anticipate establishing the Marketing Fund in 2026. We may discontinue the Marketing Fund at any time at our option. See Item 11.
Technology Fee	\$200 per month	Monthly, by the 15th day of each calendar month during the Term	The Technology Fee may include software, or other technology or technology-related services provided by us, our affiliate, or a third party, and we may remit a portion of the Technology Fee to a third party for technology or technology-related services on behalf of you.
Initial Training Fee for Additional Trainees	\$1,000	Upon receipt of invoice	Payable if you request that we train additional individuals. See Note 3.
Additional Training Fee	up to \$500 per day per trainer	Upon receipt of invoice	Payable if you request, or we require, additional training.
Grand Opening Promotion Amount	\$10,000	During the grand opening	The Grand Opening Promotion Amount shall be spent pursuant to a plan which we approve or designate.
Annual Conference Fee	Will not exceed \$1,000 per person, per conference	Upon receipt of invoice	Payable if we host a conference or convention, which the Designated Owner and/or General Manager must attend.
Temporary Management Fee	\$500 per temporary manager, per day	Upon receipt of invoice	You must pay the Temporary Management Fee if we “step in” to manage your Franchised Business.
Transfer Fee	\$10,000	When application for a transfer is approved	
Subsequent Franchise Agreement Fee	\$15,000	At time of renewal	The Subsequent Franchise Agreement Fee is paid to us in lieu of paying an Initial Franchise Fee when you sign a Subsequent Franchise Agreement.
Late Fee	\$250	On demand for each late payment	
Interest on Overdue Amounts	The lesser of 1.5% per month interest on overdue amounts or the maximum rate allowed by law	On demand for late payments	Interest accrues from the original due date until payment is received in full.
Audit	All of our expenses related to the audit	On demand	If any audit shows an understatement of any amount payable to us of 2% or

Name of Fee	Amount	Due Date	Remarks
			more, or if the audit is conducted because you have not provided required reports to us, then you must pay us the cost of the audit. We may also terminate your franchise.
Supplier Testing Fee	The costs we incur due to testing if you request to use a previously unapproved supplier or product plus 25%.	Upon receipt of invoice	
Insurance Procurement Fee	You must maintain the amounts and types of insurance we require. We have the option, but not the obligation, to procure the required insurance if you fail to do so, and will charge you 150% of the cost of insurance premiums we pay for you.	Upon receipt of invoice	You are required to maintain the types and amounts of insurance specified in Item 8, which must name us as an additional insured.
Cost of Enforcement	All costs, including attorneys' fees	Upon receipt of invoice	You will reimburse us for all costs in enforcing obligations if we prevail.
Site Evaluation Fee	Our actual costs to evaluate a site that you propose, but not less than \$1,000	Upon receipt of invoice	
Relocation Fee	30% of the then-current Initial Franchise Fee	Upon receipt of invoice	

NOTES:

- (1) Except where otherwise noted, all fees are payable to us, are non-refundable, and are uniformly imposed. All fees shall be paid to us by wire transfer, electronic funds transfer, or direct debit, at our option.
- (2) "Revenues" mean the aggregate amount of all gross receipts and all consideration that you derive from operating the Franchised Business regardless of whether the source of consideration has been authorized by us, whether for cash, on credit (not adjusted for credit card fees) or otherwise made or provided at or in connection with the Franchised Business, including any off-premises or off-site sales derived away from the Franchised Business. "Revenues" does not include any federal, state, municipal or other sales, or retailer's excise taxes paid or accrued by Franchisee. Revenues will not be adjusted for uncollected accounts or cash shortages from cash registers. Revenues are deemed to be received upon delivery of the Product or Service, regardless of whether payment has actually been received.
- (3) The first individual to attend training will receive training without an additional charge (which is either the Franchisee or its Designated Owner or General Manager). The training fee will be due if additional individuals attend training.

- (4) We do not own or operate any Cheeky Monkeys® Franchised Businesses. No cooperatives exist that could impact fees.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Range		Method of Payment	When Due	To whom Payment is Made
	Low	High			
Initial Franchise Fees (Note 1)	\$40,000.00	\$40,000.00	Lump Sum	Upon signing	Us
Site Evaluation Fee	\$1,000.00	\$1,000.00	Lump Sum	Upon receipt of invoice	Us
Security Deposit for Commercial Lease (Note 2)	\$18,000.00	\$35,000.00	As Incurred	Upon Execution of the lease	Landlord
Other Security Deposits (Note 3)	\$3,000.00	\$5,000.00	As Incurred	As Incurred	Utility or Equipment provider
Business License / Gov't Fees & Approvals (Note 4)	\$300.00	\$1,500.00	As Incurred	As Incurred	Licensing Authority
Leasehold Improvements (Note 5)	\$175,000.00	\$275,000.00	As Arranged	As required	AV Contractor
Audio Visual, Security, Cameras Etc. (Equipment & Installation)	\$10,000.00	\$15,000.00	As Arranged	As required	Contractor or 3rd Party
Architectural Plans (Note 6)	\$15,000.00	\$25,000.00	As Arranged	As required	Approved Architect
Café equipment & Café Furniture (Note 7)	\$65,000.00	\$85,000.00	As Arranged	As Incurred	Contractor or 3rd Party
Smallware & Disposables (Note 8)	\$3,500.00	\$5,500.00	As Arranged	As Incurred	Contractor or 3rd Party
Exterior Signage (Note 9)	\$12,500.00	\$22,500.00	As Arranged	As Incurred	Approved Supplier
Interior Signage, Graphics & Rules	\$14,500.00	\$44,500.00	As Arranged	As Incurred	Approved Supplier
Furniture, Fixture & Equipment (Note 10)	\$20,000.00	\$35,000.00	As Arranged	As Incurred	Approved Supplier
Point of Sales and Computer Systems (Note 11)	\$7,500.00	\$15,000.00	As Arranged	As Incurred	Approved Supplier
Play Structure Package (Note 12)	\$170,000.00	\$220,000.00	As Arranged	As Incurred	Approved Supplier
Play Structure Unloading & Installation	\$15,000.00	\$25,000.00	As Arranged	As Incurred	Approved Supplier or Contractor
Play Structure Freight, Tax, Duty & Import Fees	\$20,000.00	\$35,000.00	As Arranged	As Incurred	Freight Company or Contractor
Project Management Services (Note 13)	\$23,000.00	\$27,000.00	As designated by our supplier	As Incurred	Us or our Affiliate

Type of Expenditure	Range		Method of Payment	When Due	To whom Payment is Made
	Low	High			
Professional Fees (Note 14)	\$5,000.00	\$10,000.00	As Arranged	As Incurred	Your Accountant & Lawyer
Training: Travel & Living Expenses (Note 15)	\$1,500.00	\$4,500.00	As Arranged	As Incurred	Third Party
Initial Inventory (Note 16)	\$5,500.00	\$8,500.00	As Arranged	As Incurred	Approved Supplier
Insurance (Note 17)	\$8,500.00	\$27,500.00	As Arranged	Prior to Opening	Insurance Broker or Carrier
Third Party Inspections	\$1,250.00	\$4,000.00	As Arranged	As Incurred	Approved Inspectors
Grand Opening Advertising (including the Grand Opening Promotion Amount) (Note 18)	\$10,000.00	\$25,000.00	Lump Sum	Prior to Opening	Third Party
Working Capital (Note 19)	\$78,500.00	\$130,500.00	As Arranged	As Incurred	Various
Total (Note 20)	\$723,550	\$1,122,000			

Except as otherwise noted, all fees that you pay to us are non-refundable. Third-party lessors, contractors and suppliers will decide if payments to them are refundable.

- (1) The Initial Franchise Fee is \$40,000.
- (2) Typical locations for a Franchised Business are free-standing, multiple use and strip mall locations in suburban or other locations. The cost of leasing the Franchised Business Premises will vary significantly depending on the region of the country, the specific location within that region and the terms of the lease, including the required payment of fees other than rent, such as building operating expenses, common area maintenance expenses, merchants' association assessments and advertising and promotional expenses. This estimate is based on a Franchised Business with approximately 8,000 to 10,000 square feet and includes a lease deposit of up to 2 months and rent for 3 months in a suburban area, but excludes any additional expenses required under your lease. The estimates include required maintenance costs.
- (3) This estimated cost includes deposits to utility companies, like an electric company, and other deposits that may be required, such as a deposit required by a helium tank supplier.
- (4) This is the estimated cost of the permits and licenses that you must have in order to operate your Franchised Business and the costs may vary greatly depending on your state's requirements. Each state establishes its own licensing requirements, and those requirements may change. You are solely responsible for investigating and determining the licensing requirements and costs in your state and taking all necessary actions to ensure that your Franchised Business remains in compliance with those requirements at all times. We strongly recommend that you consult with an attorney to determine exactly what permits and licenses you will need and how much those permits and licenses will cost.
- (5) You will need to construct improvements to, or "build out," the Premises at which you will operate the Franchised Business. These improvements may include, for example, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, and décor items which must be constructed according

to our specifications. These costs are likely to vary depending upon the size, location, configuration, installation costs, and overall condition of the Premises, and may be much higher, if you already have or wish to establish your Franchised Business in an area where special requirements of any kind (e.g., historical, architectural, or preservation requirements) will apply. A leasehold allowance covering a portion of the costs of constructing the leasehold improvements may be able to be obtained from the landlord. Any allowance will be negotiated between you and the landlord. We cannot estimate the amount, scope or type of allowance that may be available, if any, for a particular site or from any particular landlord. The figures in the chart are for the build-out of a “plain vanilla shell” location. The range reflects estimated costs after receiving allowances from the landlord. If a franchisee acquires or leases existing retail space that may have operated a Franchised Business or as another type of business, the costs for retrofitting the space with the required leasehold improvements may be more or less than the figures in the chart. There are other variables regarding potential sites that are likely to be site-specific and may impact overall construction and/or operating costs, such as, for example, asbestos or other materials within walls of existing locations, special permitting rules and regulations, special HVAC requirements, or site-specific design criteria. These situations are site-specific and we cannot estimate the costs; a franchisee should evaluate those potential costs for any specific site that might be considered.

- (6) You must construct your Franchised Business in accordance with our standards and specifications. This estimate includes the expense of building out a Franchised Business, including carpentry, all interior finishes, mechanical, electrical, and plumbing. This estimate also includes fees for architectural and engineering services such as site planning, state approvals and other permits for building, heating and air conditioning, and plumbing, bid review, construction coordination, pay request review, and project closeout. The construction costs for a building will vary significantly depending on many factors including the size of the building, difficulty of site work, labor costs, local taxes and development fees and the availability of financing.
- (7) Typical café equipment and café furniture includes a coffee machine, basic kitchen supplies, tables and chairs, trash cans, and water fountains, as specified by us.
- (8) Smallwares that you need to purchase will include utensils and accompaniments for food service and other small items, as specified by us.
- (9) This estimate includes the exterior storefront signs and branding elements. However, the specific location and/or shopping center where the Franchised Business will be located may have requirements and regulations that dictate the size, layout and illumination of the exterior signage for the Franchised Business. You will be required to abide by these regulations, and as a result may experience higher or lower costs for your exterior signage.
- (10) This estimate includes all furniture, fixtures and equipment that are not included above as “café equipment & furniture” or leasehold improvements. The variation in the costs of furniture and fixtures is based on differences in size, configuration, and location of the Franchised Business site.
- (11) You are required to purchase certain computer equipment and cash registers to operate your point-of-sale system (the POS System, defined in Item 11). The costs incurred for the purchase of the POS System may vary depending upon the number of computer terminals purchased and the configuration of the Premises of the Franchised Business. (See Item 8 and Item 11 for additional details).
- (12) This amount includes the cost of the play equipment for the operation of your Franchised Business, including play structures.

- (13) We may require you to contract with a designated supplier of project management services during construction.
- (14) This amount estimates attorneys' fees, accounting fees, Franchised Business association and local chamber of commerce member fees, and other such fees.
- (15) We will provide our initial training program for you, and your Designated Owner or General Manager, but you must pay for your trainees' expenses while attending training. These expenses include travel, lodging, meals, and wages and other employment-related expenses. The low end of the estimate assumes that you are within driving distance of our training facility, which is currently located in Plano, Texas, but may be at another location that we designate from time to time. The higher end of the estimate assumes that additional travel will be needed. The amount you spend will depend on how far you must travel, the number of people attending training, the method of travel, and the accommodations chosen.

If you request that we provide the initial training program to additional employees, either before the Franchised Business opens or while it is in operation, you must pay the Initial Training Fee for Additional Trainees in addition to the trainees' travel & living expenses.

- (16) You must purchase your Approved Supplies from our affiliate and any additional initial inventory of products for your Franchised Business from suppliers which we have approved or designated. This may include socks and t-shirts small retail items, menu items at the café, and cleaning supplies.
- (17) Requirements are described in greater detail in Item 8 of this disclosure document. Factors that may affect your cost of insurance include location of the Franchised Business, value of the leasehold improvements, equipment and other factors. Our estimate represents an annual premium. You may pay your premiums monthly, quarterly or semi-annually.
- (18) Under the Franchise Agreement, we have the right to require you to spend up to \$10,000 on grand opening advertising (which is the "Grand Opening Promotion Amount"). However, you may choose to spend more than the required amount on grand opening advertising and promotions. We will collaborate with and assist you in preparing the Grand Opening Promotions.
- (19) You will need additional capital to support on-going expenses, such as payroll and utilities, insurance, licenses, inventory, security, repairs and maintenance, and miscellaneous expenses. The estimate includes payroll costs for General Manager and other employees, but does not include a salary or draw for you or the Designated Owner. The estimate also includes pre-opening expenses such as organization expenses, and other service-related expenses. The estimate does not include Royalty or Marketing Fund Contribution payments to us.

New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover on-going expenses for the start-up phase of the business, which we calculate to be three months. Also, your level of sales will impact your cash flow and the amount of working capital and additional funds that you may need during this start-up phase. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after.

Your credit history could impact the amount (and cost) of funds needed during the start-up phase. If you have no credit history or a weak credit history suppliers may give you less favorable lending and payment terms, which might increase the amount of funds you will need during this period. You will need to have staff on-hand before opening to prepare the Franchised Business for opening, for training, orientation, and related purposes.

You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You should take into account the cash outlays and probable losses that you may incur while you are trying to get established. Extensive start-up costs may be involved, depending upon your circumstances.

- (20) This total is an estimate of your initial investment and the expenses you will incur during the first 3 months of operations. In compiling this chart, we relied on the experience of our officer in operating Franchised Businesses. The amounts shown are estimates only and may vary for many reasons including the capabilities of your management team, and your Franchised Business experience and acumen. You should review these estimates carefully with an accountant or other Franchised Business advisor before making any decision to buy a franchise. These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Authorized Location of Franchised Business; Lease; Construction

You are not required to purchase or lease real estate from us or our affiliates, and we do not typically own the real estate where the Franchised Business is located. We must consent to the site of the Franchised Business and lease. Unless we otherwise agree in writing, your lease must contain the “Lease Rider” attached to the Franchise Agreement. You must construct and equip the Franchised Business in strict accordance with our then-current approved specifications and standards for Cheeky Monkeys® Franchised Businesses pertaining to equipment, furniture, signs, décor items, flooring, and trade dress (both interior and exterior) and design and layout of the building. In addition to meeting our design specifications and standards, it is solely your responsibility to ensure that your building plans, and the Franchised Business and its adjacent areas comply with all applicable federal, state and local laws, statutes, codes, rules, regulations and standards, including the Americans with Disabilities Act.

Designated Sources

We may designate the specific brand and/or manufacturer of any of the Approved Supplies (as defined below), and we may designate a single source or sources from whom you must purchase any Approved Supplies. For example, and without limiting the above, we may designate, as applicable, the specific brand and/or manufacturer, and/or the single source of supply (which may be or include us or one of our affiliates), of the following: project management services during construction, play equipment, kitchen supplies, food and beverage supplies, merchandise/inventory such as socks and t-shirts, balloons, party supplies, back office computer systems, and the POS.

Approved Supplies and Suppliers

You must offer or sell in connection with the Franchised Business all products and services, and only those products and services, we approve, from time to time, as being suitable for sale from Franchised Businesses and meeting our standards for the System, and you may not offer or sell any other product or service in connection with the Franchised Business without our prior written approval. In addition, you must use in the build out, maintenance and operation of the Franchised Business the products, services, construction and decorating materials, fixtures, equipment, furniture, signs, décor items, flooring and trade dress (both interior and exterior), advertising, packaging, marketing and promotional materials and promotional items, and any other items we approve and require for Franchised Businesses (collectively, “Approved Supplies”).

We will provide you with a list of Approved Supplies (“Approved Supplies List”) and a list of approved suppliers (the “Approved Suppliers” comprise the “Approved Supplier List”), either as part of the Manuals or otherwise. We may revise the Approved Supplies List and Approved Suppliers List from time to time, as we deem appropriate. We have the right to approve the brand, manufacturer, supplier and/or distributor of any of the Approved Supplies. We may also require you to use Approved Suppliers. For some Approved Supplies, we may only describe the specifications and/or standards they must meet, without reference to a particular brand, manufacturer, supplier and/or distributor. In addition, as further described above, we may designate a single source or sources from whom you must purchase any Approved Supplies, and we and/or our affiliates may be that single source or one or more of the sources. We will notify you of these requirements, and changes to these requirements, through the Manuals, the Approved Supplies List or the Approved Suppliers List, or other means. For certain Approved Supplies and other products and services, we, an affiliate or a third-party manufacturer, supplier or distributor may be the only Approved Supplier even though we have not designated a single source of supply for those items. All products, services, inventory, materials and other items and supplies used in the operation of the Franchised Business that are not included in the Approved Supplies List must conform to any specifications and standards we establish.

If we have not designated the brand and/or manufacturer, or the source or sources, of any of the Approved Supplies, you may request that we approve an alternative to that item, or an alternative supplier for that item. In that case, you must first notify us in writing and provide us (upon our request) sufficient specifications, photographs, drawings and other information or samples for us to determine whether the alternative item complies with our specifications and standards, or the alternative supplier meets our Approved Supplier criteria. We will notify you in writing as to whether or not the proposed alternative item or supplier is approved within 30 days. We may develop procedures for the submission of requests for approved alternative items or suppliers, and obligations that Approved Suppliers must assume (which may be incorporated in a written agreement to be signed by Approved Suppliers). We may impose limits on the number of alternative items and/or suppliers to be used by you for the Franchised Business and/or in conjunction with the System. We have the right to revoke our approval of alternative items or suppliers upon written notice to you. If we revoke our approval of an alternative item or supplier, you will have 30 days from our notice to stop offering, selling or using that item or supplier. If we have designated a brand or source of supply, we may, but are not obligated to, consider your requests to use an alternative brand or source of supply that meets our standards.

We apply certain general criteria in approving (or revoking) a proposed supplier, including the supplier’s quality and pricing of products/services, reputation, ability to provide products/services that meet our specifications, responsiveness, ability to provide products/services within the parameters required by the System, quickness to market with new items, financial stability and insurance coverage, credit program for franchisees, freight costs and the ability to provide support to the System. To the extent we make these general criteria available to franchisees, we will do so through the Manuals or other written communication.

Insurance

You must purchase and maintain in full force and effect, at your expense, all of the insurance coverage described in the Manuals, as well as any other insurance coverage required by law. Insurance may include: comprehensive general liability insurance, including public liability, products liability, property damage, and personal injury coverage; automobile liability insurance; workers’ compensation and employer’s liability; fire, vandalism, theft burglary and extended coverage insurance; business interruption insurance; and umbrella policies. All insurance policies must: (1) be issued by an insurance carrier(s) we designate or if we don’t designate a specific insurance carrier, by carriers that have an A.M. Best rating of A or higher; (2) name us and our affiliates as an additional insured; (3) contain the above-mentioned insurance coverage for each Franchised Business that you operate; and (4) provide that we will receive 10 days’ prior written notice of a material change in or termination, expiration or cancellation of any policy

(or such shorter period as required by the insurance carrier and approved by us). Your obligation to maintain insurance may not be reduced by any insurance we maintain.

We may, with prior written notice to you, increase or decrease the minimum liability protection requirements, and require different or additional kinds of insurance. You will provide us with a copy of the insurance endorsement and any other documents we request to evidence your compliance with these requirements. In addition, you will provide us annually, upon renewal or extension, and at our request a proper endorsement and such other documentation as we may request evidencing the existence of such insurance coverage and your compliance with the provisions of this paragraph. We also may request copies of all policies at any time. Failure to obtain and maintain the requisite amounts and types of insurance will result in termination of the Franchise Agreement.

Advertising

You must use only advertising and promotional materials we have approved to promote the Franchised Business. See Item 11 for further information regarding advertising programs. We may license third-party suppliers to produce advertising and promotional items which bear the Marks, and require you to purchase these items from these suppliers. You must accept those credit cards and other methods of payment that we designate.

Miscellaneous

Except as described above in this Item 8, you are not required to purchase or lease any other products or services for the operation of the Franchised Business from us or our affiliates.

We and our affiliates have the right to receive fees, payments, rebates, commissions or other consideration from third-party manufacturers, suppliers and/or distributors which may or may not be reasonably related to services we or our affiliates provide to these third parties. We and our affiliates will retain and use any fees, payments, rebates, commissions or other consideration as we deem appropriate or as required by a particular manufacturer, supplier or distributor. As of the issuance date of this disclosure document, we have not received any revenue from any franchisees based on any required purchases described in this Item 8.

There is no purchasing or distribution cooperative. We will try to obtain volume discounts for Franchised Businesses. We may negotiate prices for products or services for the benefit of franchisees generally, but not on behalf of individual franchisees. We have no purchasing or distribution cooperatives. We do not provide material benefits to you because of your use of particular products, services, or suppliers (including Approved Suppliers).

You can expect items purchased from designated or Approved Suppliers will represent approximately 75% of total purchases you will make to begin operations of the Franchised Business, and approximately 75% of the ongoing costs to operate the Franchised Business.

There are no suppliers in which one or more of our officers owns an interest. However, an officer of our parent, Playtime Hospitality, LLC, owns an interest in the supplier of project management services during construction.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement 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	§ 2.A in Franchise Agreement	8 and 11
b. Pre-opening purchases/leases	§ 8.B in Franchise Agreement; Lease Addendum (<i>see</i> Schedule D)	5, 7, and 8
c. Site development and other pre-opening requirements	§§ 8.B, 8.C, 8.D, and 8.E in Franchise Agreement	8 and 11
d. Initial and ongoing training	§§ 12.A and 12.C in Franchise Agreement	11
e. Opening	§ 8.F in Franchise Agreement	11
f. Fees	§§ 4, 5, and 6 in Franchise Agreement	5 and 6
g. Compliance with standards and policies/Operating Manuals	§§ 8.A, 8.G, 8.H, 8.I, 8.K–8.N, and 10 in Franchise Agreement	8, 11, and 14
h. Trademarks and proprietary information	§ 9 in Franchise Agreement	13 and 14
i. Restrictions on products/services offered	§§ 8J–8M in Franchise Agreement	5, 8, and 16
j. Warranty and customer service requirements	§ 8.K.3	16
k. Territorial development	§2.B in Franchise Agreement	12
l. Ongoing product/service purchases	§ 8.I–8.L in Franchise Agreement	8
m. Maintenance, appearance and remodeling requirements	§§ 8.C–8.H in Franchise Agreement	8
n. Insurance	§ 14 in Franchise Agreement	7 and 8
o. Advertising	§ 6 in Franchise Agreement	6, 8, and 11
p. Indemnification	§ 20.F in Franchise Agreement	None
q. Owner's participation/management/staffing	§§ 8.M and 8.N in Franchise Agreement	15
r. Records/reports	§§ 13.A–13.C in Franchise Agreement	6
s. Inspection/audits	§ 13.D in Franchise Agreement	6 and 11

Obligation	Section in Agreement	Disclosure Document Item
t. Transfer	§ 15 in Franchise Agreement	17
u. Renewal	§ 3.B in Franchise Agreement	17
v. Post-termination obligations	§ 17 in Franchise Agreement	17
w. Non-competition covenants	§ 18.C in Franchise Agreement	17
x. Dispute resolution	§ 20.A in Franchise Agreement	17
y. Taxes/permits	§§ 5.C and 19 in Franchise Agreement	1

ITEM 10
FINANCING

We do not offer any direct or indirect financing in connection with a Franchised Business. We do not guarantee your notes, leases or any other obligation.

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

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

Pre-Opening Obligations

Before you open your Franchised Business, we will:

1. Provide you with pre-opening consultation, support, and assistance regarding certain matters, including equipment, start-up inventory, access to our Manuals, training, and signage, as we deem advisable, subject to the availability of personnel. (Franchise Agreement – Section 7.A).
2. Provide you with our design criteria information and/or prototypical design plans for the Franchised Business. (Franchise Agreement – Section 8.C). We may also require that you contract with a designated supplier for certain project management services during construction, for a fee.
3. Provide you with electronic access to our Manuals during initial training (Franchise Agreement – Section 7.C).
4. Provide you with the initial training program. Depending on how many trainees you wish to attend initial training, we may charge you a fee. You must pay for all of your trainees' transportation, lodging, meals, wages, and related expenses (Franchise Agreement – Section 12.A). This training is described in detail below in this Item.
5. Provide you with opening assistance, which may be on-site at the Franchised Business, at another location that we designate, or online or via teleconference. (Franchise Agreement – Section 12.B).

Ongoing Assistance

During the operation of your Franchised Business, we will:

1. Coordinate with you regarding grand opening promotions (Franchise Agreement – Section 6.B).
2. Provide you with seminars, consultation, advice, field visits, and assistance on a continuing basis as we deem advisable, subject to the availability of our personnel. We will share best practices relating to operating the Franchised Business and communicate information about developments in the System (Franchise Agreement – Section 7.B).
3. Update the Manuals from time to time, at our option (Franchise Agreement – Section 10.C).
4. Review all advertising, promotional and public relations programs and materials that you propose to use (Franchise Agreement – Section 6.C.).
5. Provide updates as warranted to the Approved Suppliers and Approved Supplies Lists (Franchise Agreement – Section 8.J).
6. Manage any Marketing Fund that may be in operation (Franchise Agreement – Section 6.A).

Site Selection and Opening

You are solely responsible for securing the location of your Franchised Business. We do not typically own the location of your Franchised Business. Rather, you must secure such location, and we must approve the location in writing, within 90 days after signing the Franchise Agreement. We may require you to retain a real estate agent or other similar professional who meets our standards and specifications to assist you in your search for a location. You must submit to us a complete site evaluation form containing any information that we may require for the proposed location for the Franchised Business (the “Premises”) and pay to us a Site Evaluation Fee. We will notify you in writing within 30 days after we receive your complete site evaluation form and other materials we request about whether we approve or disapprove the proposed Franchised Business Premises. We may conduct an on-site evaluation of the proposed Premises and the surrounding location. If you enter into lease for the Franchised Business Premises, you must provide the lease to us and receive our prior written approval of the lease before you execute it. We will have no responsibility for the lease, and it is your sole responsibility to evaluate, negotiate and enter into the lease for the Franchised Business Premises. Your lease must contain the Lease Rider attached as Schedule D of the Franchise Agreement or the terms contained in it. You must provide us a copy of the executed lease and Lease Rider within five (5) days of their execution.

We will base our decision regarding whether to grant you a site on the following factors: traffic patterns, parking, size, cannibalization, competition, technical feasibility, and other site selection criteria that we may have in place from time to time. Our approval of a location for your Franchised Business is not a representation, warranty, or guaranty that your Franchised Business will be successful at that location. We may review and approve or disapprove of the site you propose for your Franchised Business within 30 days of receiving your completed site evaluation form.

We will furnish to you design criteria information and/or prototypical design intent plans for the Franchised Business, at our discretion. (Franchise Agreement – Section 8.C). Depending on the premises that you propose for your Franchised Business, you may or may not need to undertake construction. If you need to undertake construction, you must submit building plans for the Franchised Business, including

interior design, decoration, and layout to us for our approval prior to beginning construction on the Franchised Business. We must approve in writing any proposed alterations to our design criteria information, prototypical design intent plans or previously approved building plans, and reserve the right to charge additional fees for multiple plan reviews. Further, any additional revisions to our design criteria information and/or prototypical design intent plans will become our property. We may require you to hire an architect to prepare the building plans for the Franchised Business who must conform any design criteria information and/or prototypical design intent plans that we provide to local, state and federal laws and building code requirements, including the Americans with Disabilities Act. You are solely responsible for ensuring that the build-out of the Franchised Business complies with all applicable laws and building code requirements, including the Americans with Disabilities Act. You must hire a qualified, licensed, insured and bonded contractor to supervise the construction of the Franchised Business.

You must construct all required improvements to the Premises, purchase and install all required equipment, furniture, signs, décor items, flooring and trade dress (both interior and exterior) and decorate the Premises in compliance with the approved building plans and specifications we approve, the construction standards we specify, and all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions. We must approve any architect and/or contractor you use for future Franchised Business build-outs, modernizations or replacements. No approval granted by us pursuant to this Section constitutes a representation or warranty that the Franchised Business will be profitable or that the designs, plans, contractors, or architects meet the requirements if applicable or that the ultimate quality of the approved Product or Service will be suitable.

You must open your Franchised Business by the “Opening Date” stated in the Franchise Agreement or else we may terminate the Franchise Agreement. The factors that affect this time are the ability to obtain licenses, general permits, training, financing, zoning and local ordinances, shortages, and installation of any office equipment, fixtures, and signs.

Confidential Operations Manuals

After you become a franchisee, we will allow you to access an electronic or hard copy of our confidential operations manuals (the “Manuals”). We may modify the Manuals from time to time, at our option. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. You may not make any copies of the Manuals. Attached to this disclosure document (at Exhibit B) is a list of those topics that are covered in the Manuals. Because we provide you with electronic access to the Manuals as a series of electronic pages and modules that may vary in size and number depending on the settings of your computer, the number of “pages” in the Manuals may vary. However, if printed, the Manuals currently consist of at least 164 pages.

Franchisee Marketing Fund

We will notify you 60 days in advance if we choose to create a marketing fund (“Marketing Fund” or “Fund”). We anticipate establishing the Marketing Fund in 2025. If we establish a Marketing Fund, you must make monthly contributions to the Fund in an amount up to 3% percent of your Revenues for the preceding month, as we designate. We have currently designated 1% of Revenues as the required contribution that you must make to the Marketing Fund. We may increase or reduce your contributions to the Fund from time to time, at our option. Your required contributions to the Fund are in addition to amounts you are required to spend for local marketing. Fund contributions will be made at the same time and in the same manner as your Royalty payments.

We will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. The Fund will be used exclusively to meet any and all costs of maintaining, administering, directing, and preparing

marketing activities (including cost of preparing and conducting marketing campaigns in various media, including social media and the Internet; marketing surveys and other public relations activities designed to promote the Marks and the System; employing advertising agencies; and providing promotional brochures and other marketing materials to the Franchised Business). The Fund may be used to pay for expenses associated with any toll-free telephone number that we may elect to establish for the System, at our option.

Advertising will be primarily regional, but we may also engage in local and national advertising programs. Advertising materials may be developed in-house or by a third party. We are not obligated to spend any amount on advertising in the region where your Franchised Business is located.

All sums paid by you to the Fund and any earnings will be maintained in a separate account, and will not be used to defray any of our expenses, except for such reasonable administrative costs and overhead, and taxes, as we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for the Cheeky Monkeys® Franchisees and the System. We will maintain separate bookkeeping accounts for the Fund.

We reserve the right to defer or reduce your contributions to the Fund and, upon 30 days prior written notice, to reduce or suspend your payment of Fund contributions to and suspend operation of the Fund for one or more periods of any length and to terminate (and if terminated, to reinstate) the Fund. If the Fund is terminated, we will distribute all unspent monies on the date of termination to the Cheeky Monkeys® Franchisees in proportion to their respective contributions to the Fund during the preceding three (3) month period. All amounts refunded to you must be spent on local marketing in addition to the amounts specified by us or, at our option, such amounts may be credited against the Royalty or other payments you owe to us.

Where required by law, a financial statement of the operations of the Fund shall be prepared annually, at the expense of the Fund, and be made available to you for the previous fiscal year upon written request.

We have the right to terminate the Fund, to reduce required contributions to certain Cheeky Monkeys® Franchisees, to suspend contributions, to remit a portion of the Fund to local or regional marketing and advertising programs, or to distribute any part of such contributions to you for use in fulfilling the Local Marketing Requirement. Unspent amounts contained in the Marketing Fund may be rolled-over from year to year. If we enter into a settlement of claims with a Cheeky Monkeys® Franchisee which does not result in a collection of all Royalty Fees, and Marketing Fund Contributions which were due, we may allocate the amounts collected as we deem appropriate.

Local Franchisee Marketing

You must conduct local marketing in your territory. We can require you to spend up to 2% of Revenues each month on local marketing (currently 1%). We may require that you purchase some marketing materials from our Approved Suppliers. Any materials that we have not approved within the immediately preceding 12-month period must be submitted to us for our prior approval. We will have 30 days after receipt of the proposed marketing and promotional materials to notify you whether they have been approved. Unless we provide our specific approval of the proposed materials, they are deemed not approved. Any marketing materials you submit to us for our review will become our property, and we may use or distribute these materials in any manner we deem appropriate, without compensating you for them.

Grand Opening Promotion

You must spend at least \$10,000 on grand opening advertising promotions within three months days after the opening date of your Franchised Business. This Grand Opening Promotion Amount shall be

spent pursuant to a plan which is approved or designated by the Franchisor. As stated in Item 7, we strongly recommend that you spend additional amounts on all initial marketing activity including, but not limited to, the grand opening promotion.

Advertising Cooperative and Advisory Council

We currently do not have a franchisee advisory council, but reserve the right to establish one in the future for the purpose of advising us on advertising. We may discontinue, dissolve, change or merge any advertising council that we may establish.

We have not established any local or regional marketing cooperatives, but we may establish and require the Franchisee to join and participate with other Cheeky Monkeys® Franchisees and/or the Franchisor in local and/or regional advertising or cooperatives and we may discontinue, dissolve, change or merge any advertising cooperative that we may establish. Any such cooperative will operate pursuant to the terms of a cooperative agreement which has been approved by the Franchisor, and any amendments to the cooperative agreement must be approved by the Franchisor before they become effective. The Franchisee agrees to be bound by the terms of any advertising cooperative agreement to be entered into with other Cheeky Monkeys® Franchisees and to any decisions made by the cooperative pursuant to such agreement and, as applicable, the Franchisor. The Franchisor reserves the right to discontinue, dissolve, change or merge any franchisee advertising cooperative that is created pursuant to this provision.

Training Programs

No individual may begin working at the Franchised Business without first completing all of our required training. We will train you or your Designated Owner or General Manager, and any other employees that you may request to attend our initial training. Training shall take place at our headquarters, at another location the Franchisor designates, or online. Your trainees must successfully complete the initial training program at least 30 days before the Opening Date. We will not charge you for your costs and expenses associated with providing initial training for the individuals we designate. You will be liable for your trainees’ travel-related expenses. If you request that we provide our initial training program to additional employees, either before the Franchised Business opens or while it is operating, you must pay the Initial Training Fee for Additional Trainees, in addition to the trainees’ travel-related expenses. At our option, any person subsequently employed as a Designated Owner or General Manager of the Franchised Business may be required to attend and satisfactorily complete an initial training program. If you request additional training and we agree to provide such training, you must pay to us the Additional Training Fee. You responsible for ensuring that all required individuals attend all training that is required by applicable law, or that is recommended by us. As of the date of this disclosure document, we provide the following training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Store Operations	6	8	Cheeky Monkeys Plano, TX, or another location that we designate

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Safety	4	4	Cheeky Monkeys Plano, TX, or another location that we designate
Customer Service	4	4	Cheeky Monkeys Plano, TX, or another location that we designate
Local Store Marketing and Sales	4	4	Cheeky Monkeys Plano, TX
Events & Parties	6	8	Cheeky Monkeys Plano, TX, or another location that we designate
Totals	24	28	

Our training program will be managed and administered by Ms. Sofia Ali, whose biographical information is described in Item 2. She has been with Cheeky Monkeys Franchise Systems LLC since 2023, and she has worked in instructional design and education since 2019.

We will also provide you with initial opening assistance, which may be on-site at the Premises, at another location that we designate, or online or via teleconference. We will determine the time and manner of the opening assistance, and we will attempt to schedule such opening assistance within two weeks before or after the Opening Date. If you request additional assistance, then you will reimburse us for the costs and expenses associated with providing such training, including travel-related expenses.

We may also require your Designated Owner, General Manager, and any other employees to attend, at a location designated by us, such ongoing additional training as we may require, which may be at least twice per calendar year, and we may charge you the Additional Training Fee set forth in the Summary Pages for such training. We may also provide ongoing training programs to the you and/or certain of your employees that we designate, free of charge. You are responsible for all travel-related expenses incurred by your trainees and our trainers as a result of ongoing training.

Computer and POS System

We may require you to acquire and use certain brands, types, makes, and/or models of communications equipment, computer systems, and hardware in your Franchised Business, including without limitation: (a) back office, data, audio, video, voice storage, retrieval, and transmission systems; (b) point-of-sale (or POS) systems (defined below); (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode (e.g., form of telecommunications connection) and speed (collectively, the “Computer System”).

You must use in the Franchised Business a Computer System that includes point-of-sale and reporting software, including all existing or future communication or data storage systems, components thereof and associated service, which we may develop or select for the System (the “POS System”). As of the issuance

date of this disclosure document, you must purchase the POS System, including software licenses from an Approved Supplier that we may designate.

We estimate that the costs associated with the Computer System will be \$7,500 to \$15,000. We may update or change our designated Computer System from time to time. You agree to abide by our requirements with respect to the Computer System.

You are required to obtain a service to provide ongoing maintenance and repairs for your computers and Computer System, and to purchase, install and use any upgrades or updates respecting any required software that we specify. As of the issuance date of this disclosure document, we estimate that the cost of required annual support and maintenance will be approximately \$1,000 per year. There are no contractual limitations on the frequency and cost of additional maintenance or repairs.

We will have independent access to operational and financial information and data produced by your POS System (Franchise Agreement, Section 8.E). There are no contractual limitations on our right to access the information and data.

ITEM 12 **TERRITORY**

The Franchise Agreement grants you the right to operate a Cheeky Monkeys® Franchised Business from a location that we have approved. You may not operate the Franchised Business from any location other than the location we have approved. You must not relocate your Franchised Business without our prior written consent. We will consider your request and will likely consider factors similar to factors that we consider and evaluate when making decisions regarding a request for approval of other new Franchised Business sites.

You will receive a protected territory (“Territory”). There is no minimum Territory, but the Territory will typically be based on the population density of the area and will typically extend 3 to 5 miles from the location of the Franchised Business. During the term of the Franchise Agreement, and provided that you are in compliance with the Franchise Agreement, we shall neither establish, nor license any other person to establish, another Cheeky Monkeys® Franchised Business at any location within your Territory. We retain all other rights.

For example, we and our affiliates may, without compensation to you:

1. Own and operate, and grant franchises or licenses to others to own and operate, Cheeky Monkeys® Franchised Business s from any location outside of your Territory;
2. Own and operate and license others to own and operate businesses of any kind, selling services or products which are similar to or different from those sold by your Franchised Business, under the marks or any other names, trademarks, service marks, logos, and commercial symbols at any location, other than a Cheeky Monkeys® Franchised Business within the Territory;
3. Acquire businesses that are similar to a Cheeky Monkeys® Franchised Business, and operate or license others to operate such businesses regardless of where the businesses are located, and to be acquired by any third party which operates businesses that are similar to a Cheeky Monkeys® Franchised Business regardless of where such businesses are located;
4. Offer, sell, or distribute, or license to others to offer, sell or distribute, any services or products we develop or identify with the marks, or any other names, trademarks, service marks, logos or other commercial symbols, through “other channels of distribution” or “other methods of distribution” (as described below) at any locations. “Other channels of distribution” means any

channels of distribution other than the operation of Cheeky Monkeys® Franchised Business and includes schools, community facilities, and other retail stores. “Other methods of distribution” includes wholesale, resale, or the internet (or any other form of electronic commerce); and

5. Advertise the System on the internet or any other form of electronic commerce and to create, operate, maintain, and modify or discontinue the use of websites using the marks.

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 we control.

You have no right of first refusal or similar rights to acquire additional franchises.

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark.

ITEM 13
TRADEMARKS, SERVICE MARKS, TRADE NAMES,
LOGOTYPES, AND COMMERCIAL SYMBOLS

We grant you the right to use certain Marks under the Franchise Agreement. Playtime Hospitality, LLC (“IP Owner”) is the sole and exclusive owner of the Marks in the United States. IP Owner may transfer the Marks to an affiliate that will serve as the “IP Owner” in the future. You must follow our and IP Owner’s rules when you use these Marks. IP Owner has registered the following principal mark with the U.S. Patent and Trademark Office (the “USPTO”) on its Principal Register:

Mark	Registration Number	Registration Date	Principal Register: Yes/No	Renewal: Yes/No
	4746693	June 2, 2015	Yes	No

IP Owner has licensed us the right to use the principal mark, as well as other Marks, and to sublicense the use of the Marks to operate Franchised Businesses under a trademark license agreement (the “Trademark License Agreement”) with an effective date of April 10, 2021. Unless earlier terminated, the Trademark License Agreement shall expire on the later of the 75th anniversary of its effective date, or upon the termination or expiration of the franchise for the last Franchised Business operating pursuant to the Trademark License Agreement. Either we or IP Owner may terminate the Trademark License Agreement if we fail to cure a breach under it within 90 days’ notice of that breach. We are not permitted to open or cause to be opened any Cheeky Monkeys Centers unit within the immediate trading area of Plano, Fairview & Fort Worth, TX without the express written permission of IP Owner. Neither we nor IP Owner may assign the Trademark License Agreement.

We or IP Owner intend to timely file with the USPTO all required affidavits of use and an affidavit of incontestability, when due, for the trademarks noted above.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the Marks, and there is no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving

the Marks. There is no agreement in effect which significantly limits our rights to use or license the Marks in any state in a manner material to the franchise, and we know of no superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks. We and IP Owner have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We and IP Owner have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks and to defend you against any third-party claim, suit or demand arising out of your use of the Marks. If there is any litigation regarding your use of the Marks, you must sign any and all documents and do the acts as may, in our or IP Owner's opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action and you must pay for your own costs in doing these acts.

If it becomes advisable at any time in our sole judgment for you to modify or discontinue using any Mark or for you and the Franchised Business to use one or more additional or substitute trade or service marks, you agree to immediately comply with our directions. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification of the Marks.

ITEM 14 **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

Patents

No patents are material to the operation of your Franchised Business.

Copyrights

We claim to own copyrights in the Manuals, our marketing materials, and similar items. We have not registered these copyrights with the United States Registrar of Copyrights, but we are not required to do so to protect them. You may use these items only as we specify while operating your Franchised Business, and you must stop using them if we direct you to do so. Our right to use or license copyrighted items is not materially limited by any agreement. We are not aware of any infringing use of our copyrights that could materially affect you.

Confidential Operations Manuals

You must operate your Franchised Business according to all mandatory standards, methods, policies and procedures specified in the Manuals. You must treat the Manuals, any other information which we lend you and the information in them as confidential and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise reproduce these materials, in any manner, or otherwise give them to any unauthorized person. The Manuals will remain our sole property and must be kept in a secure place at your Franchised Business. Access to electronic versions of the Manuals must be password restricted.

We may revise the contents of the Manuals, and you must comply with each new or changed standard at your own expense. You must make sure that the Manuals are kept current at all times. If there is any dispute as to the contents of the Manuals, the terms of the master copy maintained by us at our corporate office will be controlling.

Confidential Information

You must not, during the term of your Agreement or after the term of your Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business, which may be communicated to you or which you may learn because of your operation of your Franchised Business. You may divulge confidential information only to those of your employees who must have access to it to operate your Franchised Business. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will be deemed confidential for purposes of your Agreement.

Examples of confidential information include: (1) site selection and design specifications; (2) methods, formats, lesson plans, curricula, programs, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Cheeky Monkeys® Franchised Businesses; (3) marketing and marketing programs for Cheeky Monkeys® Franchised Businesses; (4) knowledge of specifications for and suppliers of, and methods of ordering, certain materials, equipment and supplies; (5) knowledge of the operating results and financial performance of Cheeky Monkeys® Franchised Businesses other than your Franchised Business; (6) terms of the Franchise Agreement; (7) the Manuals; (8) graphic designs and related intellectual property; and (9) customer data. The confidential information constitutes our trade secret.

You must have your owners (including the Designated Owner), General Manager and any personnel having access to any of our confidential information sign agreements requiring that they will maintain the confidentiality of information they receive during their involvement with the Franchised Business. The agreements must be in a form satisfactory to us, and must identify us as a third-party beneficiary of the covenants with the independent right to enforce them. They must also prohibit your staff from having any direct or indirect ownership in a business that competes with the System or with any Franchised Business. Our current form of this confidentiality agreement is attached to the Franchise Agreement as Schedule B.

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

We do not require you to personally participate in the operation of your Franchised Business, but your Franchised Business must at all times be under the direct supervision of a General Manager (“General Manager”) of whom we have approved who has satisfactorily completed our initial training programs and who devotes his/her full time, energy and effort to the management and operation of your Cheeky Monkeys® Franchised Business. The General Manager must be under the supervision of your Designated Owner. The Designated Owner is an individual owner of the franchisee entity, who we approve and who is responsible for causing you to comply with the Franchise Agreement. The General Manager and Designated Owner may be the same person. If they are not the same person, the Designated Owner must spend at least 5 hours per week at the Franchised Business.

We have the right to approve all of your succeeding General Managers. Each General Manager must attend and successfully complete our training program to our satisfaction. The General Manager and other key employees will be required to sign an agreement not to compete with Cheeky Monkeys® Franchised Businesses while employed by you and for 2 years after their employment ends. They must also agree not to reveal confidential information obtained while employed by you.

If you are a business entity, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing

monetary or non-monetary obligations, including the covenant not to compete. Our “Guaranty and Assumption of Obligations” is part of the Franchise Agreement. If we do not require one of your owners to sign the full Guaranty, that owner still must comply with all non-monetary obligations, including the covenant not to compete, as if he or she were the franchisee.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the approved location solely for the operation of a Cheeky Monkeys® Franchised Business. You must keep your Franchised Business open and in normal operation for the minimum hours and days as we specify for the Sytem, subject to applicable law. You must not use or permit the use of the Franchised Business for any other purpose or activity at any time without first obtaining our written consent. You must operate the Franchised Business in strict conformity with the methods, standards, and specifications we may require in the Manuals or otherwise in writing. You must stop selling and offering for sale any products or services which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized products and services and there are no limits on our right to make changes.

The System may be supplemented, improved or modified by us. You must comply with all of our requirements in that regard, including offering and selling new or different products or services as specified by us.

You must sell the products and services that we approve, and no others. All products and services approved by us must be offered for sale on a continuous basis at your Franchised Business at the time and in the manner specified by us. No sale of any product or service except those products or services approved by us may be solicited, accepted, or made by or from your Franchised Business.

You are not restricted as to the customers whom you may solicit or service.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	Summary Pages of Franchise Agreement	The earlier of the Termination Date or 10 years after the Effective Date.
b. Renewal or extension of the Term	§ 3.B	One additional 10-year term

Provision	Section in Franchise Agreement	Summary
c. Requirements for you to renew or extend	§ 3.B	Notice, satisfaction of monetary obligations, compliance with Franchise Agreement, release us, sign new Franchise Agreement, pay renewal fee, and others; see §§ 3B.1–3B.8 in Franchise Agreement. The new agreement that you must sign at renewal may contain terms and conditions that are materially different than the original contract. (See also Note 1)
d. Termination by you	§16.A	You may terminate Franchise Agreement 30 days after notice of Franchisor’s material breach if we fail to remedy the breach(es) within 30 days.
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	§ 16.B	Default under Franchise Agreement, bankruptcy, abandonment, and other grounds; see § 16 of the Franchise Agreement. Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing. (See Notes 1 and 3)
g. “Cause” defined – curable defaults	§ 16.B	All other defaults not specified in §§ 16B.1–16B.22 of the Franchise Agreement.
h. “Cause” defined - non-curable defaults	§ 16.B	Bankruptcy, abandonment, conviction of felony, and others; see § 16.B of the Franchise Agreement. (Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing.)
i. Your obligations on termination/ nonrenewal	§ 17	Cease operating the Franchised Business, payment of amounts due, return of the Manuals, assign contracts, and others; see §§ 17.A–17.J of the Franchise Agreement.
j. Assignment of contract by us	§ 15.G	There are no limits on our right to assign the Franchise Agreement.
k. “Transfer” by you – defined	§ 15	Includes transfer of any interest.
l. Our approval of transfer by you	§ 15	We have the right to approve all proposed transfers.

Provision	Section in Franchise Agreement	Summary
m. Conditions for our approval of transfer	§ 15.A	Full compliance with Franchise Agreement, release us, transferee must sign new Franchise Agreement, pay transfer fee, and others; see §§ 15.A.1–15.A.10 of the Franchise Agreement.
n. Our right of first refusal to acquire your business	§ 15.E	We have a right of first refusal. If the Franchisee or one or more of the Franchisee’s Owners wish to make a Transfer pursuant to any bona fide binding offer received from a third party to purchase that interest, then the proposed seller shall promptly notify the Franchisor in writing of the offer, and provide any additional information and documentation relating to the offer that the Franchisor requires. Franchisor has 30 days to notify the transferee of its intent to acquire the Center.
o. Our option to purchase your business	§ 17.J	We have the option, within 30 days of termination or expiration, to purchase your tangible and intangible assets relating to the Center, including the Center Premises and to an assignment of the lease at fair market value.
p. Your death or disability	§ 15.F	The Designated Owner’s estate must transfer his interest in the Center to a third party we have approved, within 120 days after his death or after he becomes permanently disabled.
q. Non-competition covenants during the term of the franchise	§ 18	Includes prohibition on engaging in any business, which is the same or similar to the Center; see §§ 18.B and 18.C of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	§ 18.C	Includes a 24 month prohibition similar to “q” (above), at the Premises, within 10 miles of the Premises, or within 10 miles of any other Center.
s. Modification of the agreement	§ 20.J	Must be in writing signed by both parties.
t. Integration/merger clause	§ 20.J	The Franchise Agreement contains the entire agreement between the Franchisor and the Franchisee relating to the rights granted and the obligations assumed.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	§ 20.A	The parties must submit all disputes to binding arbitration, except for claims for injunctive relief. (See Note 2).
v. Choice of forum	§ 22.A	The City and State where we have our headquarters.
w. Choice of law	§ 20.A.2	The laws of the State of Texas.

Notes:

1. Some states have statutes and/or court decisions which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

2. In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Section 22 of the Franchise Agreement (as amended by applicable state law). We recommend that you carefully review all of these provisions, and the entire contract, with a lawyer.

3. If a state law requires any modification to these provisions of the Franchise Agreement (or other provisions described in this Item 17) or requires additional terms, those modifications will be found in the disclosure addenda and contractual amendments appended to the Franchise Agreement.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in this 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 financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Martin Trevino, our Director of Franchise Operations and Development, in person at 535 Talbert Drive, Suite 301, Plano, Texas 75093; by phone at (469) 304-1461; and by email at franchise@cheekymonkeys.us; the Federal Trade Commission; and the appropriate state regulatory authorities.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	1	1
	2023	1	2	1
	2024	2	5	3
Company-Owned	2022	3	3	0
	2023	3	4	1
	2024	4	5	1
Total Outlets	2022	3	4	1
	2023	4	6	2
	2024	6	10	4

Table 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024

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

Table 3

**Status of Franchised Outlets
For years 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Texas	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	3	0	0	0	0	5
Totals	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	3	0	0	0	0	5

Table 4

**Status of Company-Owned Outlets
For years 2022 to 2024**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Texas	2022	3	0	0	0	0	3
	2023	3	1	0	0	0	4
	2024	4	1	0	0	0	5
Totals	2022	3	0	0	0	0	3
	2023	3	1	0	0	0	4
	2024	4	1	0	0	0	5

Table 5

Projected Openings As Of August 15, 2025 for 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Year
Texas	3	3*	1

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Year
Total	3	3	1

*Three new locations have opened in 2025 to date, as set forth in Exhibit F.

Notes for all Charts in Item 20:

1. All numbers are as of the fiscal year-end. Our fiscal year ends on December 31.
2. States not listed in a chart had no franchised, company-owned or affiliate-owned Restaurants or activity during the relevant period.

Other Notes:

- The names, addresses, and telephone numbers of our franchisees are listed in Exhibit F. Any former franchisees, including any who had an agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our last fiscal year, or have not communicated with us within ten weeks of the date of this disclosure document, are identified on Exhibit F.
- If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.
- No franchisees have signed a confidentiality clause in a franchise agreement, settlement, or other contract within the last three years that would restrict their ability to speak openly about their experience with Cheeky Monkeys.
- As of the date of this disclosure document, we are not aware of any trademark-specific franchisee organizations that are associated with the franchise system.

ITEM 21
FINANCIAL STATEMENTS

Our fiscal year end is December 31. Exhibit E contains our audited financial statements for 2022, 2023, and 2024, as well as our unaudited financial statements as of July 31, 2025.

ITEM 22
CONTRACTS

The following contracts are attached to this disclosure document:

- Franchise Agreement (Exhibit A) (and attachments)
- Form of Release (Exhibit I)

ITEM 23
RECEIPTS

The last 2 pages of this disclosure document (Exhibit J) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with this disclosure document.

EXHIBIT A
FRANCHISE AGREEMENT



Cheeky Monkeys® U.S. Franchise Agreement

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SCHEDULE A - GUARANTY AND ASSUMPTION OF OBLIGATIONS

SCHEDULE B - CONFIDENTIALITY AGREEMENT

SCHEDULE C - ASSIGNMENT OF TELEPHONE NUMBER(S)

SCHEDULE D - LEASE RIDER

SCHEDULE E - SECURITY AGREEMENT

Name: Cheeky Monkeys Franchise Systems, LLC
Address: 535 Talbert Drive, Suite 301, Plano, TX 75093 USA
Telephone: (469) 304-1461
E-mail Address: franchise@cheekymonkeys.us

8. INITIAL FRANCHISE FEE: \$40,000 due upon execution of this Agreement
9. SUBSEQUENT FRANCHISE AGREEMENT FEE: \$15,000
10. EFFECTIVE DATE: _____
11. OPENING DATE: _____
12. EXPIRATION DATE: 10 years from the Effective Date
13. FEES: DUE DATE
 - (a) Royalty: Monthly, by the 15th day of each calendar month during the Term
6% of all Revenues
 - (b) Transfer Fee: When the application for a Transfer is approved
\$10,000
 - (c) Grand Opening Promotion Amount: During the Grand Opening
\$10,000
 - (d) Local Marketing Requirement: Monthly, by the 15th day of each calendar month during the Term
Currently 1% of Revenues,
will not exceed 2% of Revenues
 - (e) Marketing Fund Contribution: Monthly, by the 15th day of each calendar month during the Term
Currently 1% of Revenues,
will not exceed 3% of Revenues
 - (f) Late Fee: On demand for each late payment
\$250
 - (g) Interest: On demand for late payments

The lesser of 1.5% per month interest on overdue amounts or the maximum rate allowed by law

- | | | |
|-----|---|---|
| (h) | Insurance Procurement Fee:
150% of the cost of insurance premiums the Franchisor pays for the Franchisee | Upon receipt of invoice |
| (i) | Technology Fee:
\$200 per month | Monthly, on the 15 th day of each calendar month during the Term |
| (j) | Initial Training Fee for Additional Trainees:
\$1,000 Per 5-day session | Upon receipt of invoice |
| (k) | Additional Training Fee:
up to \$500 per day per trainer | Upon receipt of invoice |
| (l) | Annual Conference Fee:
Will not exceed \$1,000 per person per conference | Upon receipt of invoice |
| (m) | Temporary Management Fee:
\$500 per temporary manager, per day | Upon receipt of invoice |
| (n) | Supplier Testing Fee:
All costs the Franchisor incurs due to testing if the Franchisee requests to use a previously unapproved supplier or Product, plus 25% | Upon receipt of invoice |
| (o) | Relocation Fee:
30% of the then-current Initial Franchise Fee | Upon receipt of invoice |
| (p) | Site Evaluation Fee:
\$1,000 | Upon receipt of invoice |

14. METHOD OF PAYMENT: Wire Transfer, Electronic Funds Transfer or Direct Debit, at the Franchisor's option

15. REPORT DUE DATES:

Weekly Revenue Reports: Monday of each calendar week for the previous calendar week's Revenues (based on the Franchisee's time zone)

Year End Financial Statement: January 31st

The Franchisee's Business Plan: November 30th

The franchisee should submit an annual business plan.

16. NOTICES TO THE FRANCHISEE:

Name: _____

Address: _____

Telephone: _____

E-mail: _____

17. NOTICES TO THE FRANCHISOR:

Name: Cheeky Monkeys Franchise Systems, LLC

Address: 535 Talbert Drive, Suite 301, Plano, TX 75093 USA

Telephone: (469) 304-1461

E-mail Address: franchise@cheekymonkeys.us

GLOSSARY OF TERMS

Additional Training Fee means the fee that the Franchisee must pay the Franchisor for certain training programs provided by the Franchisor in addition to the Franchisor's initial training program.

Affiliate means a Business Entity which is controlled by or under common control with another Business Entity.

Agreement means this Agreement and all exhibits, schedules, ancillary documents, and guarantees attached hereto.

Annual Conference Fee means the fee the Franchisee pays the Franchisor for the Franchisee and/or the Franchisee's employees to attend the Franchisor's annual conference.

Approved Suppliers means those suppliers the Franchisor designates from which the Franchisee must purchase any Approved Supplies, which may be the Franchisor or its Affiliates.

Approved Suppliers List means the list of Approved Suppliers, as it may be modified by the Franchisor periodically.

Approved Supplies means the inventory, supplies, smallwares, Products, services, construction and decorating materials, fixtures, equipment (including the POS System, Computer System, furniture, signs, décor items, flooring and trade dress (both interior and exterior), packaging, advertising, marketing and promotional materials and promotional items, educational materials and any other items the Franchisor approves for use or sale at the Franchised Business.

Approved Supplies List means the list of Approved Supplies, which the Franchisor may modify from time to time.

Asset Transfer means the voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos transfer, testamentary disposition or other disposition of the Franchised Business, the Franchised Business's assets, this Agreement or any interest in or right under this Agreement; of all or substantially all of the assets of the Franchised Business or in an interest therein, including (1) any transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (2) any transfer upon the death of any of the Franchisee's Principals by will, declaration of or transfer in trust or under the laws of intestate succession; or (3) any foreclosure upon the Franchised Business or the transfer, surrender or loss of possession, control or management of the Premises by the Franchisee.

Assignment of Telephone Number(s) means the transfer of the Franchised Business's telephone number(s) to the Franchisor or its designee in the event of termination, transfer of ownership of Franchised Business to the Franchisor, or upon the expiration of this Agreement. The current form is Schedule C to this Agreement.

Business Entity means a corporation, a general or limited partnership, limited liability company, trust, or any other type of business organization.

Business Plan means the plan that the Franchisee is required to submit to the Franchisor each year that details the Franchisee's goals, including the Franchisee's projected Revenues, for operating the Franchised Business during the next year and the proposed methods of achieving those goals.

Cheeky Monkeys® Franchised Business means a business that uses the System and the Marks.

Cheeky Monkeys® Franchisee a Person who has entered into a Franchise with the Franchisor.

Collateral means the following property:

(1) all of the Franchisee's right, title and interest, estate, claim and demand, either at law or in equity, in and to all equipment, machinery, apparatus, fixtures and articles of personal property of every kind and nature whatsoever, located at the Franchised Business's Premises or now or hereafter ordered for eventual delivery to the Franchised Business's Premises (whether or not delivered thereto) and all such as are now or hereafter used or usable in connection with any of the Franchisee's present or future business operations at the Franchised Business's Premises and now owned or hereafter acquired by the Franchisee, and any and all replacements thereof, additions thereto and substitutions therefore, including, without in any manner limiting, the generality of the foregoing, all computer equipment used in the operation of the Franchised Business;

(2) all of the Franchisee's inventory for sale at the Franchised Business, both now owned and hereafter acquired, whether or not located at the Franchised Business's Premises, and as the same may now and hereafter from time to time be constituted, together with all cash and non-cash proceeds and products thereof;

(3) all proceeds of the conversion, voluntary or involuntary, of any of the Collateral into cash or liquidated claims, including the proceeds of insurance; and

(4) all of the Franchised Business's contracts, cash, and accounts receivable.

Competitive Business means a business that is the same as or similar to the Franchised Business in that at least 25% of its sales are derived the provision of children's entertainment services and/or related products.

Computer System means certain information and communication technologies, systems, and formats, including but not limited to, personal computers, laptop computers, printers, tablets, software, hardware, applications, data storage, retrieval and transmission systems, and internet access mode and speed. The Computer System includes the Franchisee's computer equipment as well as technology equipment used in the delivery of Services. The Computer System may include the POS System.

Confidential Information means information relating to the operation of the System including the standards, methods, procedures and specifications of the System, including the contents of the Manuals, customer lists, information about Cheeky Monkeys® Franchisees and the

operation of its business, information about suppliers and pricing, business plans, marketing plans, advertising programs, market research, and all other information which is used in the Franchised Business, which is derived from the Franchisor or other Cheeky Monkeys® Franchisees, and which has value to the Franchisor. Any and all information, knowledge, know-how, techniques, and other data which the Franchisor designates as confidential will be deemed Confidential Information for purposes of this Agreement. Franchisee acknowledges and agrees that the Confidential Information includes Franchisor's trade secrets.

Confidentiality Agreement means an agreement to be signed by the Franchisee, its Designated Owner, Owners, Manager, and other key employees designated by the Franchisor whereby each agrees not to disclose Confidential Information, to misuse or corrupt any software application, or to use Confidential Information or software other than in the operation of the Franchised Business. The current forms are attached as Schedule B.

Control, Controlling, or Controlling Interest means the possession, directly or indirectly, of the power to direct or cause the direction, of the management and policies of a Business Entity, through ownership of voting securities, by contract or otherwise.

Designated Owner is an individual Owner of the Franchisee that the Franchisee designates and the Franchisor approves, if the Franchisee is a Business Entity, who is directly responsible for causing the Franchisee to fulfill its duties under this Agreement.

Disclosure Document or **FDD** means a disclosure document describing the Franchisor and the Franchised Business which was presented to the Franchisee before this Agreement was executed.

Due Date means the day specified on the Summary Pages by which fees and reports are due to the Franchisor and must be received by the Franchisor.

Effective Date means the date the Agreement is executed by the Franchisor as stated on the Summary Pages.

Expiration Date means the date this Agreement expires, as stated on the Summary Pages.

Financial Statements are Quarterly and Year-End Financial Statements, prepared in the manner prescribed by the Franchisor.

Force Majeure are acts of God, strikes, lockouts or other labor disturbances, war, riot, acts of terrorism, disease outbreaks, epidemic, fire or other catastrophe, or other forces beyond either party's control.

Franchise means all forms of franchises the Franchisor grants including unit franchise agreements, or development agreements, conversion agreements, or any other agreement granted to an individual or Business Entity to operate a Cheeky Monkeys® business. Franchise also means all future agreements which may license the Marks and any part or enhancement of the System described herein.

[The] **Franchisee** means the individual or Business Entity identified as “the Franchisee” on the Summary Pages, and also includes all persons who succeed the interest of the original Franchisee.

[The] **Franchisor** means Cheeky Monkeys Franchise Systems, LLC, a limited liability company organized under the laws of Texas.

General Manager means the individual who is selected by the Franchisee, and who is approved by the Franchisor, to manage the operation of the Franchised Business under the supervision of the Franchisee’s Designated Owner.

Grand Opening means an event hosted by the Franchisee at the Franchised Business to publicize the opening of the Franchised Business, which shall occur within sixty (60) days after the Opening Date, pursuant to the requirements specified in the Manuals.

Grand Opening Promotion Amount means the Grand Opening Promotion Amount set forth in the Summary Pages.

Guarantor means every person who executes, or whom the Franchisor requires to execute, a Personal Guaranty.

Including means “including, without limitation.”

Indemnitees means the Franchisor’s Representatives and their successors and assigns.

Initial Franchise Fee is the fee due under this Agreement for the right to enter into this Agreement as specified on the Summary Pages, expressed in U.S. Dollars.

Initial Training Fee for Additional Trainees means the fee set forth in the Summary Pages that the Franchisee pays to the Franchisor for attendees to participate in the Franchisor’s initial training beyond the number of attendees that would otherwise be permitted by the Franchisor to attend.

Insurance Procurement Fee means 150% of the Franchisor’s costs to obtain the required insurance, which is payable to the Franchisor by the Franchisee if the Franchisee fails to obtain and maintain the requisite amounts of insurance specified in this Agreement and the Franchisor exercises its option to purchase the required insurance on the Franchisee’s behalf.

Intellectual Property or IP means the Marks, System, Confidential Information, know how, copyrighted materials, software, domain names, URLs, meta tags, or trade dress which the Franchisor uses in the System or has licensed to the Franchisee.

Interest is the amount specified on the Summary Pages.

IP Owner includes all affiliates of the Franchisor, who own the Cheeky Monkeys® IP and license it to the Franchisor for Cheeky Monkeys® Franchisees’ use.

Local Marketing Requirement is the amount specified by the Franchisor, which the Franchisee must spend to promote the Franchisee's Franchised Business in the Territory in the manner the Franchisor has specified or approved.

Losses and Expenses means all losses; compensatory, exemplary or punitive damages; fines; charges; costs; expenses; lost profits; lawyers' fees, costs, and expenses; experts' fees; court costs; settlement amounts; judgments; compensation for damages to the Franchisor's reputation and goodwill; costs of or resulting from delays; financing; interest; costs of marketing material and media time or space, and costs of changing, substituting, or replacing same; and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described.

Manuals mean manuals or policies developed by the Franchisor regarding or relating to various operations and procedures, standards, specifications and requirements regarding or relating to the Franchised Business as the Franchisor specifies from time to time, as they may be developed, revised, changed, modified or supplemented by the Franchisor from time to time and such additional standards, operations bulletins or memoranda as the Franchisor may develop from time to time. The term "Manuals" includes the operations manual, training manuals, development manual and other business manuals as may be prepared from time to time for use by the Franchisor. The Manuals may be in printed or electronic format including, but not limited to, video recordings. The Manuals shall remain the Franchisor's exclusive property and may not be duplicated, shared or re-distributed. The Franchisor may update the Manuals from time to time. The printed or electronic Manual that the Franchisor maintains is the official version of the Manuals unless the Franchisor otherwise informs the Franchisee in writing.

Marks include the trademarks, domain names, trade names, trade dress, goodwill, reputation, distinctive slogans, signs, symbols, and devices and other intangible assets linked to the Franchisor's commercial activity and which are associated with the System.

Marketing Fund Contribution means the monthly contribution to the Marketing Fund in the amount specified on the Summary Pages.

Marketing Fund means a separate segregated fund that the Franchisor has the right, but not the obligation, to maintain, following the guidelines established by the Franchisor, consisting of payments from Cheeky Monkeys® Franchisees pursuant to their franchise agreements. The Marketing Fund shall be used for marketing, advertising, sales promotion and promotional materials, public and consumer relations, social media engagement, publicity, and any other programs that the Franchisor deems necessary or appropriate.

Opening Date is the date specified on the Summary Pages by which the Franchisee must commence operations pursuant to this Agreement with the Franchisor's approval.

Owner means a Person who directly or indirectly possesses an Ownership Interest in the Franchisee or the Franchisor.

Ownership Interest means any direct or indirect, legal or beneficial ownership interest of any type, including (a) in relation to a corporation, the ownership of shares in the corporation; (b) in relation to a partnership, the ownership of a general partner or limited partnership interest;

(c) in relation to a limited liability company, the ownership of a membership interest; or (d) in relation to a trust, the ownership of the beneficial interest of such trust.

Ownership Interest Transfer means the voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos transfer, testamentary disposition or other disposition of any direct or indirect Ownership Interest in the Franchisee or revenues or income of the Franchised Business, including: (1) any Transfer, redemption or issuance of a legal or beneficial Ownership Interest in the Franchisee or any Business Entity that has an interest in the Franchisee or of any interest convertible to or exchangeable for a legal or beneficial Ownership Interest in the Franchisee or any Business Entity that has an interest in the Franchisee; (2) any merger or consolidation between the Franchisee or any Business Entity that has an interest in the Franchisee and another Business Entity, whether or not the Franchisee is the surviving Business Entity; (3) any Transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (4) any Transfer upon the Franchisee's death or the death of any of the Franchisee's Owners by will, declaration of or transfer in trust or under the laws of intestate succession; or (5) any foreclosure upon the Franchised Business or the transfer, surrender or loss by the Franchisee of possession, control or management of the Premises.

Permanent Disability or Permanently Disabled State means any physical, emotional or mental injury, illness or incapacity which prevents the Designated Owner or the General Manager from performing the obligations set forth in this Agreement in the ordinary course of business for at least ninety (90) consecutive days, and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. If the Franchisee disagrees with the Franchisor about whether the Designated Owner or the General Manager is permanently disabled, the existence of permanent disability shall be determined by a licensed practicing physician selected by the Franchisor, upon examination of the Designated Owner or the General Manager; or if the Designated Owner or the General Manager refuses to submit to an examination, then the person automatically shall be considered permanently disabled as of the date of refusal. The costs of any such examination shall be paid by the Franchisor.

Person is an individual or a Business Entity.

Personal Guaranty is Schedule A to this Agreement and is also referred to as a Guaranty and Assumption of Obligations.

POS System means the point-of-sale and reporting system that the Franchisee must use in the Franchised Business, including all existing or future communication or data storage systems, components thereof and associated service, which the Franchisor may develop or select for the System. The POS System may be a part of the Computer System.

Premises or Franchised Business Premises means the real property from which a Franchised Business operates and which the Franchisor has approved for the operation of the Franchised Business, as identified on the Summary Pages. If the Premises has not been approved by the Franchisor on the Effective Date, the address will be added to the Summary Pages when the Premises are approved.

Principal means collectively or individually, all officers and directors, partners, members, or Owners of the Franchisee or any of the Franchisee's Affiliates, in the Franchise, in this Agreement or in any interest in or right under this Agreement, or any interest in all or substantially all of the assets of the Franchisee's Franchised Business or an interest therein or in the revenues or income thereof.

Products mean the products that meet the Franchisor's specifications and the Franchisor approves for sale at the Franchised Business.

Quarterly Financial Statements are profit and loss statements and balance sheets which the Franchisee must prepare and submit to the Franchisor on the dates specified on the Summary Pages.

Records includes the Franchised Business's and the Franchisee's books, records, state and federal income tax, payroll tax, sales tax records and returns, and evidence of compliance with applicable laws. Records includes electronic and tangible information, regardless of the medium upon which it is stored.

Relocation Fee means the fee set forth in the Summary Pages that the Franchisee must pay to the Franchisor if the Franchisee proposes relocating the Franchised Business.

Representatives mean the Franchisor and the Franchisee, their Affiliates and their respective Owners, Principals, officers, directors, employees, agents, lawyers, and representatives.

Revenues means the aggregate amount of all gross receipts and all consideration the Franchisee derives from operating the Franchised Business, regardless of whether the consideration is accrued in compliance with this Agreement, whether for cash, on credit (not adjusted for credit card fees) or otherwise made or provided at or in connection with the Franchised Business, including off-premises or off-site sales derived away from the Franchised Business, regardless of whether such sales were permitted under this Agreement. "Revenues" does not include any federal, state, municipal or other sales, or retailer's excise taxes paid or accrued by the Franchisee. Revenues shall not be adjusted for uncollected accounts or cash shortages from cash registers. Revenues shall be deemed received to be the earlier of delivery of the Product or Service, or receipt of payment.

Franchised Business means the business which the Franchisee is authorized to operate pursuant to this Agreement.

Right of First Refusal means the Franchisor's right to purchase the interest being offered by the Franchisee or an Owner by matching the bona fide monetary purchase price and payment schedule terms, less any brokerage commission (without having to match any other or non-monetary terms of the proposed Transfer).

Royalty, Royalty Fee, or Royalties mean the rate or amount specified on the Summary Pages.

Services mean the services that meet Franchisor's specifications and the Franchisor approves for sale at the Franchised Business, which may include catering services.

Site Evaluation Fee means the fee set forth in the Summary Pages that the Franchisee pays to the Franchisor to evaluate a site that the Franchisee proposes for its Franchised Business.

Subsequent Franchise Agreement means a new Cheeky Monkeys® franchise agreement which is offered to the Franchisee for a period which commences on the Expiration Date of this Agreement.

Subsequent Franchise Agreement Fee means the amount specified on the Summary Pages to be paid by the Franchisee to the Franchisor for the right to enter into a Subsequent Franchise Agreement.

Subsequent Franchise Agreement Term means the period which begins on the Expiration Date and ends on the earlier of the date the lease of the Premises expires or ten (10) years from the Expiration Date.

Supplier Testing Fee means fee the Franchisee pays to the Franchisor if the Franchisee requests to use a previously unapproved supplier or Product.

System means the standards, specifications, Products and Services, methods, procedures, technology, and IP prescribed by the Franchisor relating to the establishment, development and operation of a Franchised Business. The System includes methods of training, advertising and promotion distinctive types of facilities, interior and exterior layouts, trade dress, signs, equipment (including the Computer System and POS System), packaging, supplies, furnishings, fixtures, décor, Confidential Information, business techniques, methods and procedures, lesson plans, curricula, programs, and sales promotion programs, all of which the Franchisor may modify, change, improve and further develop using the trade name, and trademark “Cheeky Monkeys®.”

Technology Fee means the fee that the Franchisee pays the Franchisor for the technology and technology-related services provided to the Franchisee by the Franchisor or its designee.

Temporary Management Fee means the fee set forth in the Summary Pages that the Franchisee pays the Franchisor if the Franchisor “steps in” to manage the Franchisee’s Franchised Business due to the Franchisee’s default.

Term means the period from the Effective Date to the earlier of the Expiration Date or the Termination Date.

Termination Date means the date upon which this Agreement ends pursuant to Section 16.

Territory means the territory described on the Summary Pages.

Transfer means an Asset Transfer or an Ownership Interest Transfer.

Transfer Fee is a non-refundable fee specified on the Summary Pages which must be paid to the Franchisor as a condition of its reviewing a proposed Transfer of this Agreement.

Transferee is any Person who wishes to acquire or who acquires Assets of the Franchised Business or an Ownership Interest.

Travel-Related Expenses mean the travel, meal, lodging, and payroll and benefits expenses incurred by a party to this Agreement in connection with fulfilling its obligations under this Agreement, and includes the travel, meal, and lodging expenses incurred by the parties' respective employees and Representatives in fulfilling any obligation under this Agreement.

Weekly Revenue Report is the report the Franchisee must submit to the Franchisor electronically through the POS System and/or Computer System each calendar week, which contains reports of financial and other information related to the operation of the Franchised Business in the form and manner specified by the Franchisor, including all Revenues for the previous week.

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CHEEKY MONKEYS FRANCHISE AGREEMENT

This Agreement is made and entered on the Effective Date by and between the Franchisor and the Franchisee.

1. RECITALS OF FACT

This Agreement is made and entered into by the Franchisor and the Franchisee with reference to the following facts:

A. The Franchisor and the Franchisor's Affiliates have developed the System and granted Franchisor the right to sublicense the System to the Franchisee and to enter into this Agreement.

B. The Franchisee desires to operate a Franchised Business under the System and to obtain a license from the Franchisor for that purpose.

C. The Franchisee has executed and completed an application for a franchise to own and operate a Franchised Business.

D. The Franchisor has approved the Franchisee's application in reliance upon all of the representations and warranties made by the Franchisee and its Owners, and grants to the Franchisee a franchise to own and operate a Franchised Business.

E. The Franchisee hereby acknowledges that it has read this Agreement and the FDD, and that it has no knowledge of any representations about the Franchised Business or about the Franchisor or its franchising program or policies, which contradict the statements in the FDD or the terms of this Agreement. The Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the Franchisor's high standards of quality and service and thereby to protect and preserve the goodwill of the Marks.

2. GRANT OF FRANCHISE

A. Location of the Franchised Business. The Franchisor grants to the Franchisee, and the Franchisee accepts, a single unit Franchise to operate one (1) Franchised Business, utilizing the System, inside the Territory. The Franchisor also grants, and the Franchisee accepts, a limited Franchise to use only such Marks, and only in connection with the Products and Services which have been approved by the Franchisor for the Franchised Business. The Franchisee's activities are limited to offering and selling the Products and Services at the Franchised Business. The Franchisee is prohibited from relocating the Franchised Business without the Franchisor's prior written consent.

B. Protected Territory. During the Term of this Agreement, and provided that the Franchisee is in compliance with the terms and conditions of this Agreement, the Franchisor shall not establish, nor license any other person to establish, another Cheeky Monkeys® Franchised Business at any location within the Territory, except as otherwise provided in this Agreement. The Franchisor retains all other rights, and may, among other things, on any terms and conditions the

Franchisor deems advisable, and without granting the Franchisee any rights therein, engage in the activities specified in Section 2.C. below.

C. Rights Reserved to the Franchisor. All rights not expressly granted to the Franchisee herein are reserved to the Franchisor. The Franchisor reserves the right of ownership in, and control over, the System. The Franchisor reserves the right:

1. To own and operate, and grant franchises or licenses to others to own and operate, Cheeky Monkeys® Franchised Businesses from any location outside of the Territory;

2. To own and operate and license others to own and operate any business of any kind, selling services or products which are similar to or different from those sold by Cheeky Monkeys® Franchised Businesses, under the Marks or any other names, trademarks, service marks, logos and commercial symbols at any location, other than a Cheeky Monkeys® Franchised Business within the Territory;

3. To acquire businesses that are similar to a Cheeky Monkeys® Franchised Business, and operate or license others to operate such businesses regardless of where the businesses are located, and to be acquired by any third party which operates businesses that are the similar to a Cheeky Monkeys® Franchised Business regardless of where such businesses are located;

4. To offer, sell or distribute, or to license to others to offer, sell or distribute, any services or products the Franchisor develops or identifies with the Marks, or any other names, trademarks, service marks, logos or other commercial symbols, through “other channels of distribution” or “other methods of distribution” (as described below) at any locations. “Other channels of distribution” means any channels of distribution other than the operation of Cheeky Monkeys® Franchised Businesses and includes schools, community facilities, and other retail stores. “Other methods of distribution” includes wholesale, resale or the internet (or any other form of electronic commerce); and

5. To advertise the System on the internet or any other form of electronic commerce and to create, operate, maintain and modify or discontinue the use of websites using the Marks.

This Agreement does not grant the Franchisee any options, rights of first refusal, or similar rights to acquire additional franchises.

D. Modifications to the Protected Territory. The Franchisor reserves the right to make minor changes to the Territory at the Franchisor’s sole option acting reasonably to account for a significant change in the population of the Territory or other significant changes to the market or the economic conditions.

E. Sale of Products and Services. Unless otherwise permitted by the Franchisor, the Franchisee must offer and sell only Products and Services previously authorized by the Franchisor, and only from the Franchised Business, only in accordance with the requirements of this Agreement and the procedures set forth in the Manuals. In addition, and without limiting the

foregoing, the Franchisee must not offer or sell products or services authorized under this Agreement through any other means, including without limitation, through satellite locations, temporary locations, through in-home or other delivery services, carts or kiosks, the Internet, or through any electronic media, without the prior written approval of the Franchisor, and only in accordance with the Franchisor's policies as they may be developed and/or modified from time to time.

3. TERM AND SUBSEQUENT FRANCHISE AGREEMENT

A. Term. Subject to the provisions in this Agreement and unless earlier terminated, the Term of this Agreement commences on the Effective Date and it expires on the Expiration Date.

B. Subsequent Franchise Agreement. The Franchisee may opt to enter into a Subsequent Franchise Agreement for a term of ten (10) years, subject to the following conditions, which must be complied with prior to entering into a Subsequent Franchise Agreement:

1. the Franchisee shall give the Franchisor written notice of election to enter into a Subsequent Franchise Agreement not less than six (6) months and not more than twelve (12) months prior to the Expiration Date;

2. the Franchisee may not be in default of any provision or amendment to this Agreement or any other agreement between the Franchisor and the Franchisee. The Franchisee must have complied with all conditions of all agreements with the Franchisor or its Representatives during the Term;

3. the Franchisee must complete, at its sole expense, such maintenance or renovation of the Premises as is required by the Franchisor;

4. the Franchisee must satisfy all monetary obligations owed by the Franchisee to the Franchisor and its Representatives, and must have timely met these obligations throughout the Term;

5. the Franchisee must sign the Subsequent Franchise Agreement, which shall supersede this Agreement in all respects, the terms of which may differ materially from the terms of this Agreement. The Franchisee must pay to the Franchisor on the date of execution of the Subsequent Franchise Agreement, a Subsequent Franchise Agreement Fee;

6. the Franchisee must comply with the Franchisor's then-current qualifications and training requirements;

7. the Franchisee and its Representatives must execute a general release, in a form prescribed by the Franchisor, of any and all claims against the Franchisor and its Representatives, and their respective Representatives; and

8. the Franchisee must satisfy all other criteria imposed by the Franchisor, at its option.

4. INITIAL FRANCHISE FEE

In consideration of the Franchise granted herein, the Franchisee must pay to the Franchisor the Initial Franchise Fee. The Initial Franchise Fee is not refundable, and is fully earned by the Franchisor upon execution by the Franchisee of this Agreement.

5. ROYALTY FEES

Beginning on the first Due Date after the Opening Date, the Franchisee shall pay to the Franchisor the Royalty each month by the Due Date set forth in the Summary Pages based upon the Franchisee's Revenues for the previous calendar month.

A. Payment Procedure. The Franchisee shall pay all amounts due to the Franchisor via wire transfer or, at the Franchisor's option, via electronic funds transfer or direct debit. The Franchisee must sign any documents needed to effectuate such payment programs and comply with all policies for collecting payments that the Franchisor prescribes. The Due Date for each payment is specified on the Summary Pages to this Agreement, and the Franchisee must make each payment by the Due Date.

B. Late Fees and Damage Provisions. The Franchisee shall pay the Franchisor the Late Fee or Interest on any late payment, report, or action, as specified on the Summary Pages. The Franchisor may deduct any late Royalty Fees and other amounts due to the Franchisor from any amounts the Franchisor owes to the Franchisee.

C. Taxes On Fees Due. All amounts payable to the Franchisor pursuant to this Agreement are exclusive of any sales taxes or other taxes which may be payable by the Franchisee. In addition to amounts owed to the Franchisor, the Franchisee is responsible for paying all sales taxes and other taxes imposed on such payments.

6. MARKETING FEES

A. Marketing Fund. The Franchisor may, at its option, establish a Marketing Fund. If it does so, the Franchisor shall notify the Franchisee at least sixty (60) days before the Marketing Fund begins operating. Thereafter, the Franchisee must pay the Franchisor the Marketing Fund Contribution by the Due Date in the amount required by the Franchisor based on the Franchisee's Revenues for the previous calendar month. The range of the Marketing Fund Contribution is set forth in the Summary Pages, and the Franchisor may increase or reduce the Marketing Fund Contribution from time to time, at its option. The Franchisee agrees that the Marketing Fund shall be maintained and administered by the Franchisor as follows:

1. The Franchisor shall direct all marketing programs with sole discretion over the creative concepts, materials and media used in such programs, and the placement of fund allocations thereof. The Franchisee agrees and acknowledges that the Marketing Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System generally, and that the Franchisor undertakes no obligation in administering the Fund to make expenditures for the Franchised Business which are equivalent or proportionate to the Franchisee's contribution, or to ensure that any particular Franchisee benefits directly or pro rata from the placement of advertising or other

marketing activities. The Marketing Fund is not a trust or escrow account, and the Franchisor has no fiduciary obligations regarding the Marketing Fund.

2. All contributions to the Marketing Fund and any earnings shall be used exclusively to meet any and all costs of maintaining, administering, directing, and preparing marketing activities (including cost of preparing and conducting marketing campaigns in various media, including social media and the Internet; marketing surveys and other public relations activities designed to promote the Marks and the System; employing advertising agencies; and providing promotional brochures and other marketing materials to the Franchised Business). The Franchisor may use the Marketing Fund to pay for expenses associated with any toll-free telephone number that the Franchisor may elect to establish for brand, at its option. All sums paid by the Franchisee to the Marketing Fund and any earnings shall be maintained in an account separate from the other monies of the Franchisor, and shall not be used to defray any of the Franchisor's expenses, except for such reasonable administrative costs and overhead, and taxes, as the Franchisor may incur in activities reasonably related to the administration or direction of the Marketing Fund and advertising programs for the Cheeky Monkeys® Franchisees and the System. The Franchisor shall maintain separate bookkeeping accounts for the Marketing Fund.

3. It is anticipated that all contributions to and earnings of the Marketing Fund shall be expended for the purposes described during the taxable year, within which the contributions and earnings are received. If, however, excess amounts remain in the Marketing Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

4. The Franchisor reserves the right to defer or reduce contributions of the Franchisee to the Marketing Fund and, upon thirty (30) days prior written notice, to reduce or suspend the Franchisee's payment of Marketing Fund Contributions to and suspend operation of the Marketing Fund for one or more periods of any length and to terminate (and if terminated, to reinstate) the Marketing Fund. If the Marketing Fund is terminated, all unspent monies on the date of termination shall be distributed to the Cheeky Monkeys® Franchisees in proportion to their respective contributions to the Marketing Fund during the preceding three (3) month period. All amounts refunded to the Franchisee shall be spent on local marketing in addition to the amounts specified by the Franchisor or, at the Franchisor's option, such amounts may be credited against the Royalty or other payments the Franchisee owes to the Franchisor.

5. The Marketing Fund is not and shall not be an asset of the Franchisor or of the Franchisee. Where required by law, a financial statement of the operations of the Marketing Fund shall be prepared annually, at the expense of the Fund, and be made available to the Franchisee for the previous fiscal year upon written request.

6. Although the Marketing Fund is intended to be of indefinite duration, the Franchisor maintains the right to terminate the Marketing Fund, to reduce required contributions to certain Cheeky Monkeys® Franchisees, to suspend contributions, to remit a portion of the Marketing Fund to local or regional marketing and advertising programs,

or to distribute any part of such contributions to the Franchisee for use in fulfilling the Local Marketing Requirement. Unspent amounts contained in the Marketing Fund may be rolled-over from year to year. If the Franchisor enters into a settlement of claims with a Cheeky Monkeys® Franchisee which does not result in a collection of all Royalty Fees, and Marketing Fund Contributions which were due, the Franchisor may allocate amounts collected as it deems appropriate.

B. Grand Opening Promotions. The Franchisee must spend at least the Grand Opening Promotion Amount for Grand Opening promotions during the three (3) months after the Opening Date. The Grand Opening promotion fund shall be spent pursuant to a plan which is approved or designated by the Franchisor.

C. Local Marketing Plan. The Franchisee agrees to implement and follow all advertising and marketing plans created by the Franchisor which are specified in the Manuals for the Franchisee's use. The Franchisee may implement additional advertising, provided such advertising conforms to the standards and requirements of the Franchisor, as set forth in the Manuals, or as otherwise designated by the Franchisor. The Franchisor may, but is not obligated to, provide the Franchisee with templates for advertising material that the Franchisee may customize at the Franchisee's own expense, subject to the Franchisor's specifications. The Franchisee shall not advertise the Franchised Business in conjunction with any other business, except with the Franchisor's prior written consent. The Franchisee shall obtain the Franchisor's prior approval of all advertising and promotional plans and materials that the Franchisee desires to use that have not been prepared or approved by the Franchisor within the preceding twelve (12) month period. The Franchisee shall submit such unapproved plans or materials to the Franchisor in the manner designated by the Franchisor (which may be by personal delivery or via certified mail/return receipt requested, e-mail, or overnight courier). The Franchisee shall use no such plans or materials until they have been approved by the Franchisor, and shall promptly discontinue use of any advertising or promotional plans or materials upon notice by the Franchisor. Any plans or materials submitted by the Franchisee to the Franchisor which have not been approved or disapproved in writing, within thirty (30) days of receipt by the Franchisor, shall be deemed disapproved. The Franchisee shall only use suppliers of advertising and promotional services which have been prescribed or approved by the Franchisor.

D. Local Marketing Expenditures. If so required by the Franchisor, the Franchisee shall provide the Franchisor with a statement of the Franchisee's local marketing expenditures for the period designated by the Franchisor. The statement shall include evidence of all such expenditures in a form that the Franchisor specifies or approves. If, in the Franchisor's judgment, the Franchisee has not satisfactorily demonstrated that it has satisfied the Local Marketing Requirement, the Franchisee shall pay the Franchisor the difference between the Local Marketing Requirement and the amount the Franchisor has determined the Franchisee has actually expended for local marketing; and the Franchisor shall spend such amount on local marketing expenditures in the Franchisee's Territory.

E. Use of Photos. The Franchisee consents to the Franchisor's use of photographs of the Franchised Business in advertising and promotional programs, and the Franchisee agrees to obtain the consent of the Franchisee's employees and customers for the use of photographs of them in advertising or promotional programs.

F. Crises Response. The Franchisee shall immediately notify the Franchisor of any event which has occurred or which is alleged to have happened relating to the Franchised Business, which involves any person or thing that is affiliated with the Franchised Business, or which relates to any activity which is sponsored by or affiliated with the Franchised Business, which may adversely affect the image, reputation or goodwill of the Marks or the System, involves a danger to customer's health and safety involves any breach of a customer's data or security. When such event arises, whether at Franchisee's Franchised Business or at another Cheeky Monkeys® Franchised Business, absent the Franchisor's written approval, the Franchisee shall not communicate with the press or communicate information or opinions about the event by any means or medium. At the Franchisor's option, the Franchisor shall control all public relations efforts relating to the event, and the Franchisee shall give the Franchisor all reasonable assistance in its efforts. The Franchisor shall not be liable to the Franchisee or any of the Franchisee's Representatives for any damages or claims which arise out of its response to the event.

G. Franchisee Advertising Advisory Council. The Franchisor may create a franchisee advertising advisory council or similar advisory group, for the purpose of advising the Franchisor on advertising. The Franchisor reserves the right to discontinue, dissolve, change or merge any franchisee advertising advisory council that is created pursuant to this provision.

H. Franchisee Advertising Cooperative. The Franchisor reserves the right, in its sole discretion, to require the Franchisee to join and participate with other Cheeky Monkeys® Franchisees and/or the Franchisor in local and/or regional advertising or cooperatives. Any such cooperative shall operate pursuant to the terms of a cooperative agreement which has been approved by the Franchisor, and any amendments to the cooperative agreement must be approved by the Franchisor before they become effective. The Franchisee agrees to be bound by the terms of any advertising cooperative agreement to be entered into with other Cheeky Monkeys® Franchisees and to any decisions made by the cooperative pursuant to such agreement and, as applicable, the Franchisor. The Franchisor reserves the right to discontinue, dissolve, change or merge any franchisee advertising cooperative that is created pursuant to this provision.

7. DUTIES OF THE FRANCHISOR

A. Pre-Opening. The Franchisor shall provide pre-opening consultation, support, and assistance regarding certain matters, including equipment, start-up inventory, access to Franchisor's Manuals, training, and signage, as the Franchisor deems advisable, subject to the availability of personnel.

B. Ongoing Assistance. The Franchisor shall provide seminars, consultation, advice, field visits, and assistance on a continuing basis as the Franchisor deems advisable, subject to the availability of the Franchisor's personnel. The Franchisor shall share best practices relating to operating the Franchised Business, and communicate information about developments in the System.

C. Manuals. Electronic versions of the Manuals shall be made available to the Franchisee during initial training. The Franchisor may make the Manuals and any updates to the Manuals available in either electronic or paper formats.

D. Performance of Duties. The Franchisee acknowledges and agrees that the Franchisor may designate its Affiliates or other third parties to perform the Franchisor's duties and obligations under this Agreement.

8. DUTIES OF THE FRANCHISEE

A. Maintaining Operating Standards. The Franchisee understands and acknowledges that every detail of the Franchised Business is important to the Franchisee, the Franchisor, and other Cheeky Monkeys® Franchisees and the Franchisee agrees to operate the Franchised Business in compliance with the applicable version of the Manuals.

B. Franchised Business Premises; Lease. The Franchisee is solely responsible for securing a Premises for the Franchised Business that the Franchisor has approved it in writing within ninety (90) days after signing this Agreement. The Franchisor may require the Franchisee to retain a real estate agent or other similar professional who meets the Franchisor's standards and specifications to assist the Franchisee in its search for a Premises. The Franchisee must submit to the Franchisor a complete site evaluation form containing any information that the Franchisor may require for the proposed Franchised Business Premises, and pay to the Franchisor the Site Evaluation Fee. The Franchisor shall notify the Franchisee in writing within thirty (30) days after the Franchisor receives the Franchisee's complete site evaluation form and other materials the Franchisor requests about whether the Franchisor approves or disapproves the proposed Franchised Business Premises. The Franchisor has the right, but not the obligation, to conduct an on-site evaluation of the proposed Premises and the surrounding location. If the Franchisee enters into lease for the Franchised Business Premises, the Franchisee must provide the lease to the Franchisor and receive the Franchisor's prior written approval of the lease before the Franchisee execute it. The Franchisor shall have no responsibility for the lease, and it is the Franchisee's sole responsibility to evaluate, negotiate and enter into the lease for the Franchised Business Premises. The Franchisee's lease must contain the Lease Rider attached as Schedule D or the terms contained in it. The Franchisee must provide the Franchisor a copy of the executed lease and Lease Rider within five (5) days of their execution.

1. The Franchisee must not relocate the Franchised Business without the Franchisor's prior written consent. If the Franchisee wishes to relocate the Franchised Business, the Franchisee may be required to pay the Relocation Fee.

2. The Franchisor's identification of a site, review of a site or site lease, or approval of a site for the Franchised Business Premises does not constitute a guarantee, recommendation or assurance as to the suitability of the site for a Cheeky Monkeys® Franchised Business, or the success of the site or the Franchised Business.

C. Construction; Future Alteration. The Franchisee must construct and equip the Franchised Business in strict accordance with the Franchisor's current approved specifications and standards for Cheeky Monkeys® Franchised Businesses pertaining to equipment, furniture, signs, décor items, flooring and trade dress (both interior and exterior) and design and layout of the building. The Franchisee must submit building plans for the Franchised Business, including interior design, decoration and layout, to the Franchisor for the Franchisor's approval before the Franchisee begins construction of the Franchised Business. The Franchisor shall furnish the

Franchisee design criteria information and/or, in the Franchisor's sole judgment, prototypical design intent plans for the Franchised Business. The Franchisor may require the Franchisee to hire an architect who meets the Franchisor's standards and specifications, who must conform any design criteria information and/or prototypical design intent plans that the Franchisor provides to local, state and federal laws and building code requirements, including the Americans with Disabilities Act ("ADA"). The Franchisor recommends that the Franchisee submit preliminary designs to the Franchisor for the Franchisor's review, prior to the preparation and submission of the Franchisee's final building plans. In addition to the Franchisor's approval of the building plans, the architect must also obtain any required local building plan approval and architectural seals. The Franchisor must approve in writing any proposed alterations to the Franchisor's design criteria information, prototypical design intent plans or previously approved building plans, and reserve the right to charge additional fees for multiple plan reviews. Further, any additional revisions to the Franchisor's design criteria information and/or prototypical design intent plans shall become the Franchisor's property. The Franchisor and the Franchisor's Affiliates have the right to use those plans in any manner in the future. The Franchisee must hire a qualified, licensed, insured and bonded contractor to supervise the construction of the Franchised Business. The Franchisee must construct all required improvements to the Premises, purchase and install all required equipment, furniture, signs, décor items, flooring and trade dress (both interior and exterior), and decorate the Premises in compliance with the approved building plans and specifications the Franchisor approves, the construction standards the Franchisor specifies, and all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions. The Franchisor must approve any architect and/or contractor the Franchisee uses for future Franchised Business build-outs, modernizations or replacements. No approval granted by the Franchisor pursuant to this Section constitutes a representation or warranty that the Franchised Business will be profitable or that the designs, plans, contractors, or architects meet the requirements if applicable or that the ultimate quality of the approved Product or Service will be suitable.

D. Fixtures, Equipment, Furniture and Signs. If the Franchisor so requires, the Franchisee must use in constructing and operating the Franchised Business only those types of construction and decorating materials, fixtures, equipment, POS System, furniture, signs, décor items, flooring and trade dress (both interior and exterior) that the Franchisor has approved for Cheeky Monkeys® Franchised Businesses as meeting the Franchisor's specifications and standards for appearance, function and performance. As further described in Sections 8.J and 8.K below, the Franchisee may be required to purchase these items from Approved Suppliers, which may include the Franchisor and/or the Franchisor's Affiliates.

E. POS System, Computer System, and Telephone Line. The Franchisee shall use the POS System in the Franchised Business. The Franchisor may designate a specific POS System that the Franchisee must use in the Franchised Business, or the Franchisor may permit the Franchisee to choose a POS System that meets the Franchisor's standards and specifications, at the Franchisor's option. The Franchisee must pay all fees imposed by the Franchisor or a third party in connection with the POS System, and enter into agreements with third parties, as required, to obtain the POS System. The POS System may include one or more proprietary software programs developed by or for the Franchisor, and/or any additional software programs that the Franchisor may require from time to time. The Franchisee may be required to license software from the Franchisor, its Affiliate or a third party, and the Franchisee also may be required to pay

a software licensing or user fee and support fee in connection with the Franchisee's use of software, which may or may not be included in the Technology Fee set forth in the Summary Pages, at the Franchisor's option. The Technology Fee may also include other technology or technology-related services provided by the Franchisor, its affiliate, or a third party, and the Franchisor may remit a portion of the Technology Fee to a third party for technology or technology-related services on behalf of the Franchisee. All right, title and interest in any proprietary software shall remain with the licensor of the software, and the Franchisee may be required to enter into license agreements related to the Franchisee's use of the proprietary software. The Franchisee must keep all customer lists secure at all times. The Franchisor owns and controls the use of the customer lists that are stored on the POS System. The Franchisor may independently access the POS System at the Franchised Business or through any electronic system or program the Franchisor develops or designates. The Franchisee must store all data and information that the Franchisor designates, and report data and information in the manner the Franchisor specifies, including through any electronic or other communications systems the Franchisor designates. The Franchisor shall have independent, full and complete unimpeded access to all data, including all sales data. The Franchisee shall cause the Franchised Business to have and use such Internet access and other high-speed connections as the Franchisor specifies. The Franchisee shall use an e-mail address the Franchisor designates for communication with the Franchisor, if so required by the Franchisor. The Franchisee must comply with all payment card industry security standards and participate in any compliance program the Franchisor requires. The Franchisor may designate a single source from which the Franchisee must purchase the POS System, any software or hardware components thereof and associated services, and the Franchisor or the Franchisor's Affiliates may be that single source. The Franchisee shall use and, at the Franchisor's discretion, pay for all future updates, supplements and modifications to the POS System. The Franchisor may require the Franchisee to upgrade the POS System or the software from time to time, and the Franchisee must complete all required upgrades within twelve (12) months of receiving notice from the Franchisor of such required upgrade. The Franchisee is responsible for all costs and expenses associated with upgrades to the POS System and/or any software.

The Franchisee shall use the Computer System in the Franchised Business. The Franchisor also has the right to specify the requirements of the Franchisee's Computer System, including on the Approved Suppliers list or the Approved Supplies list. The Franchisor has the sole right to determine and designate which elements and/or components of the Computer System are mandatory, and which are optional. The Franchisor may require the Franchisee to purchase additional computers at any time during the Term. The Franchisee agrees to comply with the Franchisor's specifications (whether in the Manuals or otherwise) with respect to the Computer System, and with respect to required upgrades, at the Franchisee's own expense. The Franchisee agrees to comply with all applicable laws, as well as any requirements in the Manuals, that relate to any data breach or cybersecurity incident.

F. Franchised Business Opening. The Franchisee shall comply with any Franchised Business opening requirements prescribed in the Manuals. The Franchisee shall not open the Franchised Business for business without the Franchisor's prior written approval. The Franchisee agrees to open the Franchised Business for business by the Opening Date.

G. Condition and Appearance of Franchised Business/Remodeling of Franchised Business. The Franchisee shall maintain the condition and appearance of the Franchised Business

(including adjacent parking areas and grounds that are part of the Franchised Business Premises), as the Franchisor prescribes in the Manual. The Franchisee shall, at the Franchisee's expense, replace worn out, broken and obsolete fixtures, equipment, furniture, signs, décor items, flooring and trade dress, purchase any additional equipment, and other items necessary for its operation of the Franchised Business as the Franchisor prescribes, repair the interior and exterior of the Franchised Business, and regularly clean and maintain the Franchised Business. If at any time in the Franchisor's sole judgment, the general state of repair, appearance or cleanliness of the Franchised Business Premises or its fixtures, equipment, furniture, signs, décor items, flooring and trade dress do not meet the Franchisor's then-current standards for Cheeky Monkeys® Franchised Businesses, the Franchisor may so notify the Franchisee, specifying the action the Franchisee must take to correct the deficiency. If the Franchisee fails, within ten (10) days after receipt of notice, to commence action and continue in good faith and with due diligence, to undertake and complete any required replacement, repair, cleaning or maintenance, the Franchisor may (in addition to the Franchisor's rights under this Agreement and at law and in equity) enter the Premises and correct the deficiencies on the Franchisee's behalf, and at the Franchisee's expense.

In addition to the requirements described in the preceding paragraph, the Franchisee shall, at the Franchisee's expense, make such reasonable capital expenditures necessary to remodel, modernize and redecorate the Premises and to replace and modernize the furniture, fixtures, signs, training materials and equipment used in the Franchised Business so that the Franchised Business reflects the then-current physical appearance and service standards of Cheeky Monkeys® Franchised Businesses. The Franchisor may require the Franchisee to take such action: (1) five (5) years after the Effective Date; (2) as a condition to a Transfer; (3) as a condition of entering into a Subsequent Franchise Agreement; and (4) otherwise during the term of the Agreement as further described in the Manuals, but in no event more than once every five (5) years, except that the Franchisor may require the Franchisee to replace certain key equipment more frequently. The Franchisee acknowledges and agrees that the requirements of this Section 8 are both reasonable and necessary to insure continued public acceptance and patronage of Cheeky Monkeys® Franchised Businesses.

If the Franchised Business is damaged or destroyed by fire or any other casualty, the Franchisee shall, within thirty (30) days, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) repairs or reconstruction, to restore the Franchised Business Premises to its original condition before the casualty. If, in the Franchisor's sole judgment, the damage or destruction is of a nature or to an extent that the Franchisee can repair or reconstruct the Premises of the Franchised Business consistent with the then-current décor and specifications of a new Cheeky Monkeys® Franchised Business, without incurring substantial additional costs, the Franchisor may require, by giving written notice, that the Franchisee repairs or reconstructs the Premises in compliance with the then-current décor and specifications.

H. Franchised Business Alterations. The Franchisee shall not materially alter the Premises or appearance of the Franchised Business, or make any material replacements of or alterations to the fixtures, equipment, furniture or signs of the Franchised Business without the Franchisor's prior approval.

I. Restriction on Use of Premises. The Franchisee shall not, without the Franchisor's prior approval, offer at the Franchised Business any products or services the Franchisor has not then authorized for use or sale for Cheeky Monkeys® Franchised Businesses; nor shall the Franchised Business or the Premises which it occupies be used for any purpose other than the operation of a Cheeky Monkeys® Franchised Business.

J. Approved Supplies and Suppliers. The Franchisee must use in the build out, maintenance, equipment, and operation of the Franchised Business the Approved Supplies. The Franchisor shall provide the Franchisee with the Approved Supplies List and the Approved Supplier List, either as part of the Manuals or otherwise. The Franchisor may revise the Approved Supplies List and Approved Suppliers List, as the Franchisor deems appropriate. The Franchisor may approve or designate the brand, manufacturer, supplier and/or distributor of any of the Approved Supplies. The Franchisor may require the Franchisee to use an Approved Supplier, and the Franchisor and/or the Franchisor's Affiliates may be an Approved Supplier or the only Approved Supplier. If the Franchisee would like for the Franchisor to add a supplier to the Approved Supplier List, the Franchisor may require items purchased from the proposed supplier to be tested and the Franchisor may require the Franchisee to pay the Supplier Testing Fee set forth in the Summary Pages.

The Franchisee must accept in the Franchisee's Franchised Business those credit cards and other forms of payment the Franchisor designates, and the Franchisee must purchase and install all software and devices the Franchisor designates or approves. All products, services, inventory, materials and other items and supplies used in the operation of the Franchised Business that are not included in the Approved Supplies List or Approved Suppliers List must conform to any specifications and standards the Franchisor establishes.

The Franchisor may receive from any suppliers, including Approved Suppliers, volume rebates or other revenue or consideration as a result of the Franchisee's purchases, and the Franchisor may use such rebates and other consideration without restriction.

K. Specifications, Standards and Procedures. The Franchisee agrees to maintain the standards of quality and service in the Franchised Business the Franchisor prescribes and to comply with all mandatory specifications, standards and operating procedures specified by the Franchisor, including:

1. the Services that the Franchisee offers at the Franchised Business;
2. the Products that the Franchisee sells at the Franchised Business;
3. methods and procedures relating to marketing, customer service and order processing;
4. the safety, maintenance, cleanliness, function and appearance of the Premises and its fixtures, equipment, furniture, décor and signs;
5. the style, make and/or type of equipment used in operating the Franchised Business; and

6. use and illumination of exterior and interior signs, posters, displays, standard formats and similar items.

L. Products and Services Offered at the Franchised Business. The Franchisee may only sell Products and Services at the Franchised Business. The Franchisor may require that the Franchisee offer and sell specific Products and Services, and the Franchisor may also provide the Franchisee the option to offer other specified Products and Services at the Franchised Business. The Franchisor may permit some Cheeky Monkeys® Franchisees to sell certain Products and Services that the Franchisor disapproves for sale at the Franchised Business, and the Franchisor may require the Franchisee to sell Products and Services that it does not require other Cheeky Monkeys® Franchisees to sell. Not all Cheeky Monkeys® products or services will be authorized for sale by the Franchisee at the Franchised Business.

M. Compliance with Laws and Good Business Practices. It is the Franchisee's sole responsibility to research and comply with all applicable laws including, but not limited to, those pertaining to health and safety. The Franchisee must obtain and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and must operate the Franchised Business in full compliance with all applicable laws. For instance, the Franchisee must abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information. The Franchisee must comply with the Franchisor's standards and policies pertaining to privacy laws. The Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without the Franchisor's prior written consent as to said policy. The Franchisee shall not conduct any business or advertising practice which injures the Franchisor's business, the System or the goodwill associated with the Marks and other Cheeky Monkeys® Franchised Businesses.

N. Management of the Franchised Business. The Franchisee shall use its best efforts to promote and enhance the business of the Franchised Business. The Franchisee shall have in place a Designated Owner at all times during the term of this Agreement. In addition, the Franchisee must designate at least one General Manager at all times after the Franchised Business opens. The Franchisee's Designated Owner and General Manager may be the same individual, although, the Franchisee's Designated Owner may not serve as the General Manager of more than one Franchised Business. The Designated Owner must ensure that the Franchised Business is operated in accordance with the terms and conditions of this Agreement, although this in no way relieves the Franchisee of its responsibility to do so. The Designated Owner also must be readily and continuously available to the Franchisor. The Franchisee's Designated Owner, General Manager and any assistant manager who will manage the Franchised Business when the Designated Owner or General Manager is not present must attend and successfully complete all required training.

The Franchisee's General Manager must personally invest his or her full time and attention and devotes his or her best efforts to the on-Premises general management of the day-to-day operations of the Franchised Business, and may not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments, or that otherwise may conflict with the General Manager's obligations. If the Franchisee's Designated Owner is not also the Franchisee's General Manager, the Franchisee's Designated Owner must be on site at the Franchised Business at least five (5) hours per week during the time

the Franchised Business is open for business or some other period the Franchisor approves. At all times, the Franchised Business must be under the direct, on-site supervision of the Designated Owner, the General Manager or an assistant manager, each of whom must meet the Franchisor's training requirements.

If at any time the Designated Owner, the General Manager or a qualified assistant manager is not managing the Franchised Business on a full-time basis, following notice to the Franchisee, the Franchisor may elect to manage, or designate a third party to manage the Franchised Business on the Franchisee's behalf, at the Franchisor's option. The Franchisor's, or the Franchisor's designee's management of the Franchised Business does not relieve the Franchisee of its obligations or constitute a waiver of the Franchisor's rights or remedies under this Agreement, at law, or in equity. Neither the Franchisor nor the Franchisor's designee shall be liable for any debts, losses, costs or expenses incurred in operating the Franchised Business or to any of the Franchisee's creditors for any Products, materials, supplies or Services purchased by the Franchised Business while the Franchisor, or its designee, manages it. The Franchisor, or the Franchisor's designee, may charge the Franchisee, and the Franchisee must pay, the Temporary Management Fee set forth in the Summary Pages for management services and the Franchisor may cease providing management services at any time. The Franchisee must also pay the Franchisor all Travel-Related Expenses for the Franchisor's personnel who provide temporary management of the Franchisee's Franchised Business.

O. The Franchisee's Hiring and Training of Employees. The Franchisee shall hire all employees of the Franchised Business, be exclusively responsible for the terms and conditions of their employment, including compensation, scheduling, discipline, hiring and firing, and implement a training program for Franchised Business employees in compliance with the Franchisor's requirements. The Franchisee shall maintain at all times a staff of trained employees sufficient to operate the Franchised Business in compliance with the Franchisor's standards. All personnel decisions shall be made by the Franchisee, without any influence or advice from the Franchisor.

P. Participation in Internet, Websites, Intranet/Extranet Systems or Other Online Communications. The Franchisor may require the Franchisee to participate in the Franchisor's Cheeky Monkeys® website and any intranet/extranet the Franchisor develops in accordance with the Franchisor's written standards, which the Franchisor may modify. The Franchisor may determine the content and use of the Franchisor's website and any intranet/extranet system the Franchisor develops, and shall establish the rules under which Cheeky Monkeys® Franchisees may or must participate. The Franchisee may not register any domain name containing any of the Marks, and may not have a website or web page for the Franchised Business other than the website or web page that the Franchisor shall host as part of the Franchisor's Cheeky Monkeys® website. The Franchisor may require the Franchisee to post and update information on the Franchisor's website and web page on a regular basis, and otherwise use the Franchisee's website or web page as the Franchisor prescribes. The Franchisee must pay all costs relating to the Franchisee's use of the Franchisor's website or web page, including, costs to initially set up the Franchisee's website or web page, to customize it, to fix any problems relating solely to the Franchisee's website or web page and not the Franchisor's Cheeky Monkeys® website, and for help desk support, and these amounts may or may not be included in the Technology Fee. The Franchisee must use website programmers that meet any standards and specifications the Franchisor establishes for any

customization, maintenance, repair or help desk services related to the Franchisee's website or web page.

The Franchisor may designate Approved Suppliers from whom the Franchisee must purchase website or web page programming services. Without the Franchisor's prior written approval, the Franchisee may not link or frame the Franchisor's website or use any e-mail address which the Franchisor has not authorized for use in operating the Franchised Business. The Franchisor retains all rights relating to the Franchisor's website, the Franchisee's website or web page and any intranet/extranet system the Franchisor develops, including all administrative rights and all rights to the data stored therein, and the Franchisor may alter or terminate the Franchisor's website, the Franchisee's website or web page, or any intranet/extranet system the Franchisor develop upon thirty (30) days' notice to the Franchisee. The Franchisor may access, at all times, all information and data contained on the Franchisor's website, including the Franchisee's separate website or web page that is part of the Franchisor's website, and any intranet/extranet system the Franchisor develops. The Franchisee's general conduct on the Franchisor's website, any intranet/extranet system the Franchisor develops or other online communications and specifically the Franchisee's use of the Marks or any advertising is subject to the provisions of this Agreement. The Franchisee's right to participate in the Cheeky Monkeys® website or any intranet/extranet system the Franchisor develops, or otherwise uses the Marks or the System on the Internet shall terminate when this Agreement expires or terminates. The Franchisee must participate in all social media websites that the Franchisor requires in accordance with the Franchisor's guidelines for such social media participation, and the Franchisee must not participate in any social media websites without express permission of the Franchisor.

Q. Pricing Policies. The Franchisor also may establish maximum prices and/or minimum prices to be charged by the Franchisee for certain Products and Services the Franchisee offers at the Franchised Business. The Franchisee shall honor and offer all loyalty programs, coupons, discounts, gift cards or gift certificates, or similar promotions the Franchisor designates. The Franchisee may not offer loyalty programs, coupons, discounts, gift cards or gift certificates, or similar promotions that are not part of a system-wide promotion or program without the Franchisor's prior approval.

R. Business Entity Guaranty. If the Franchisee is a Business Entity, the Franchisee's Owners must personally guarantee the Franchisee's performance, and shall bind themselves to the terms of this Agreement. The Personal Guaranty must be in the form of Schedule A attached to this Agreement.

S. Changes to the System. The Franchisor may make changes to any aspect of the System, including operating standards, lesson plans, curricula, programs, marketing, signs, equipment standards, IP, know-how, technology, and franchise formats. The Franchisee agrees, at its expense, to promptly adopt any such changes specified by the Franchisor.

T. Development of Changes to the System. The Franchisor may develop additional changes to the System. The Franchisor reserves the right to consult with Cheeky Monkeys® Franchisees' customers while doing so. The Franchisor is not required to implement any suggestions that the Franchisee may make to the Franchisor.

U. Annual Convention. The Franchisor has the right, but not the obligation, to host a conference or convention from time to time. If the Franchisor so requires, the Franchisee's Designated Owner and/or General Manager must attend any convention that the Franchisor hosts and the Franchisee must pay the Annual Conference Fee set forth in the Summary Pages.

V. Mystery Shopper. The Franchisee must comply with all mystery shopper policies and programs that the Franchisor may establish from time to time, and pay any fees, costs, and expenses associated with such policies and programs.

W. Quality Assurance. The Franchisee must comply with all quality assurance policies and programs that the Franchisor may establish from time to time and pay any fees costs and expenses associated with such policies and programs.

9. USES OF MARKS

A. Ownership of Marks. The IP Owner is the owner of all rights, titles, and interest in and to the Marks and has granted the Franchisor the right to sublicense the Marks to Cheeky Monkeys® Franchisees.

B. The Franchisee's Use of Marks. The Franchisee may only use the Marks in a manner which has been approved by the Franchisor. The Franchisee must use and display, as the Franchisor may require in the operation of the Franchised Business, a notice in a form approved by the Franchisor indicating that the Franchisee is an "Independent Franchisee" operating under a Cheeky Monkeys® franchise agreement. Unless otherwise authorized or required by the Franchisor, the Franchisee shall only operate and advertise the Franchised Business as prescribed in the Manuals. The Franchisee shall comply fully with all marketing, promotions, and public service requirements that the Franchisor prescribes. The Franchisee's right to use the Marks is limited to such uses authorized under this Agreement and any unauthorized use shall constitute an infringement of the IP Owner's rights. The Franchisee shall not use the Marks to incur any obligations or indebtedness on behalf of the Franchisor or the IP Owner. The Franchisee shall not use the Marks as part of the name of any Business Entity. The Franchisee shall comply with the Franchisor's instructions in filing and maintaining any requisite trade name or fictitious name registrations and shall execute any documents requested by the Franchisor to obtain protection for the Marks or to maintain their continued validity and enforceability.

If litigation involving the Marks is instituted or threatened against the Franchisee, the Franchisee shall promptly notify the Franchisor and the Franchisee shall cooperate fully with the IP Owner and the Franchisor in defending such litigation. The IP Owner shall, in its sole discretion, determine whether to initiate any action or administrative proceeding arising out of such alleged use of the Marks. The IP Owner alone shall control any such litigation or administrative proceeding and settlement terms.

C. Other Covenants of the Franchisee. The Franchisee expressly understands and acknowledges that:

1. The IP Owner is the owner of all rights, titles, and interests in and to the Marks, and the goodwill associated with and symbolized by them.

2. The Marks are valid and serve to identify the System and the Franchised Business under the System.

3. The Franchisee shall not directly or indirectly contest the validity or the ownership of the Marks.

4. The Franchisee's use of the Marks granted in this Agreement does not give the Franchisee any Ownership Interest or other interest in or to the Marks, except the non-exclusive franchise granted herein.

5. Any goodwill arising from the Franchisee's use of the Marks in operation of the Franchised Business shall inure solely and exclusively to the benefit of the IP Owner.

6. Except as provided in this Agreement, the right to the Marks granted to the Franchisee is non-exclusive, and the IP Owner and the Franchisor may: (a) grant others the right to use the Marks and (b) use the Marks in connection with selling any products and services.

7. The Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business.

8. The Franchisee shall not register or attempt to register any of the Marks or a domain name which includes any of the Marks.

10. MANUALS

The Franchisee shall operate the Franchised Business in accordance with the mandatory standards, and procedures set forth in the Manuals. The Franchisee agrees as follows:

A. the Franchisee shall, at all times, treat the Manuals and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential;

B. the Manuals shall, at all times, remain the sole property of the Franchisor or its Affiliate(s), shall be kept in a secure place in the Franchised Business, and shall be returned to the Franchisor immediately upon the expiration or termination of this Agreement;

C. the Franchisor may, from time to time, revise the contents of the Manuals and the Franchisee expressly agrees to comply with all new or modified provisions. Revisions to the contents of the Manuals shall be deemed effective seven (7) days after the date of mailing, posting on the Franchisor's intranet site, or when such revisions are otherwise provided to the Franchisee, unless otherwise specified by the Franchisor;

D. the Franchisee shall, at all times, ensure copies of the Manuals are kept current and up-to-date. In the event of any dispute as to the contents of the Manuals, the terms of the Franchisor's copy of the Manuals maintained by the Franchisor at the Franchisor's headquarters shall be controlling; and

E. the Franchisee shall not, at any time, without the Franchisor's prior written approval, copy, duplicate, record or otherwise reproduce the Manuals in whole or in part, nor otherwise make the same available to any unauthorized person.

11. CONFIDENTIALITY, TRADE SECRETS AND IMPROVEMENTS

A. The Franchisee Shall Learn Proprietary Matters. Franchisee understands and agrees that he/she will come into possession of certain of Franchisor's trade secrets concerning the manner in which it conducts business including, but not limited to: methods of doing business or business processes; lesson plans, curricula, programs, strategic business plans; customer lists and information; marketing and promotional campaigns; and Franchisor's materials clearly marked or labeled as trade secrets. Franchisee agrees that the foregoing information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to Franchisor. Franchisee agrees that Franchisor derives independent economic value from these trade secrets not being generally known to, and not being readily ascertainable through proper means by, another person. Any disclosure or unauthorized use thereof will cause irreparable loss and harm to Franchisor in addition to constituting an unfair method of competition. Franchisee specifically acknowledges and agrees that Franchisor's trade secrets are a part of the Confidential Information, as defined above. The Franchisee acknowledges such Confidential Information was unknown to the Franchisee prior to execution of this Agreement or another Cheeky Monkeys® franchise agreement and that the methods of the Franchisor are unique and novel to the Franchisee. The Franchisee acknowledges that the Franchisee and its principals have no ownership interest in the Confidential Information, and may only use the Confidential Information in the operation of the Franchised Business in the manner set forth in this Agreement and the Manuals. The Franchisee will not divulge Confidential Information without the prior written consent of the Franchisor and the Franchisee shall not sell, assign, copy, assist or make available to anyone any information that would enable such person to substantially duplicate any portion of the System. Franchisee's Owner, General Manager, and key employees must sign a Confidentiality Agreement. Notwithstanding anything in this Agreement to the contrary, the Franchisee and its officers, directors, shareholders, agents and representatives, may, in accordance with any applicable law including the federal Defend Trade Secrets Act, disclose Confidential Information, including Franchisor's trade secrets, (a) in confidence, to federal, state, or local government officials, or to an attorney of Franchisee, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with any applicable law or create liability for disclosures expressly allowed by law.

B. Injunctive Relief Available to the Franchisor. The Franchisee acknowledges that any failure to comply with the requirements of this Section shall cause the Franchisor and/or the IP Owner irreparable injury. The Franchisee consents to any order for injunctive, mandatory or other extraordinary relief against any such failure to comply being obtained by the Franchisor and/or the IP Owner without the necessity for the Franchisor or the IP Owner to post security or an undertaking in damages.

C. The Franchisee's Employees Shall Not Disclose Trade Secrets. The Franchisee shall only divulge the Confidential Information to such of the Franchisee's employees who must

have access to the Confidential Information in order to perform their employment obligations. The Franchisee shall obtain from each management employee, representative, and agent an agreement that such person shall not, at any time, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any Person, any of the Confidential Information of the Franchisor or use the Franchisor's Confidential Information for any purpose other than operating the Franchised Business.

D. Improvements. The Franchisee shall fully and promptly disclose to the Franchisor all ideas, concepts, products, process, methods, techniques, improvements, and additions relating to the development and/or operation of a Franchised Business, or any advertising or promotion ideas related to the Franchised Business that the Franchisee, its Principals, agents or employees conceive or develop during the Term of this Agreement. The Franchisee, its Principals, its agents, and employees all agree that such improvements are the Franchisor's property and must sign all documents necessary to evidence the assignment of these improvements to the Franchisor without any additional compensation. The Franchisee acknowledges that the Franchisor has the perpetual right to use and authorize others to use such improvements without any obligation to pay the Franchisee royalties or other fees. The Franchisee may not introduce improvements or additions or modifications to the System without the Franchisor's prior approval.

12. TRAINING

A. Initial Training. No individual may begin working at the Franchised Business without first completing all of the Franchisor's required training. The Franchisor shall train the Franchisee or its Designated Owner or General Manager, and any other employees that the Franchisee may request to attend the Franchisor's initial training. Training shall take place at the Franchisor's headquarters, at another location the Franchisor designates, or online. The Franchisee's trainees must successfully complete the initial training program at least thirty (30) days before the Opening Date. The Franchisor shall not charge the Franchisee for its costs and expenses associated with providing initial training for the individuals the Franchisor designates. Franchisee shall be liable for its trainees' Travel-Related Expenses. If the Franchisee requests that the Franchisor provide its initial training program to additional employees, either before the Franchised Business opens or while it is operating, the Franchisee must pay the Initial Training Fee For Additional Trainees, in addition to the trainees' Travel-Related Expenses. At the Franchisor's option, any person subsequently employed as a Designated Owner or General Manager of the Franchised Business may be required to attend and satisfactorily complete an initial training program. If the Franchisee requests additional training and the Franchisor agrees to provide such training, the Franchisee must pay to the Franchisor the Additional Training Fee. The Franchisee is responsible for ensuring that all required individuals attend all training that is required by applicable law, or that is recommended by the Franchisor.

B. Opening Assistance. The Franchisor shall provide the Franchisee with initial opening assistance, which may be on-site at the Premises, at another location that the Franchisor designates, or online or via teleconference. The Franchisor shall determine the time and manner of the opening assistance, and the Franchisor shall attempt to schedule such opening assistance within two (2) weeks before or after the Opening Date. If the Franchisee requests additional assistance, then the Franchisee shall reimburse the Franchisor for the costs and expenses associated with providing such training, including Travel-Related expenses.

C. Ongoing Training and Assistance. The Franchisor may require the Franchisee's Designated Owner, the General Manager, and any other employees to attend, at a location designated by the Franchisor, such ongoing additional training as the Franchisor may require, which may be at least twice per calendar year, and it may charge the Franchisee the Additional Training Fee set forth in the Summary Pages for such training. The Franchisor may also provide ongoing training programs to the Franchisee and/or certain of the Franchisee's employees that the Franchisor designates, free of charge. The Franchisee is responsible for all Travel-Related Expenses incurred by the Franchisee's trainees and the Franchisor's trainers incurred as a result of ongoing training.

D. Expenses Paid by the Franchisee. The Franchisee shall pay all expenses incurred by its staff in such training programs, including transportation, lodging, meals, and wages (if any). If the Franchisee's Designated Owner or General Manager fails to successfully complete the initial training programs, the Franchisee shall be in default of this Agreement.

13. ACCOUNTING AND RECORDS

A. Bookkeeping, Accounting, and Records. The Franchisee shall maintain during the Term, and shall preserve for the time period specified in the Manuals, full, complete, and accurate books, records, and accounts in accordance with the standard accounting system prescribed by the Franchisor in the Manuals or otherwise in writing. All reports that the Franchisee provides to the Franchisor shall be timely and accurate. The Franchisor may designate a bookkeeping Company or software that the Franchisee must use in the Franchised Business.

B. Submit Reports to the Franchisor. If so required by the Franchisor, the Franchisee shall submit to the Franchisor the Weekly Revenue Report each calendar week, in the manner prescribed by the Franchisor, accurately reflecting the Franchisee's Revenues and other activities specified by the Franchisor. The Franchisee shall submit Financial Statements to the Franchisor at the time specified on the Summary Pages. The Franchisor may include information contained in Financial Statements in promotional materials and in the Franchisor's Disclosure Document, so long as the Franchisee's information used in promotional materials is included in data for a state or region, and the Franchisor does not specifically identify the Franchisee.

Reports and Financial Statements shall be signed by the Franchisee's Designated Owner and treasurer or chief financial officer, attesting the statement is true and correct. The Franchisee shall submit to the Franchisor such tax return filing(s), and any other forms, records, reports, information or data the Franchisor may request in the form and at the times and places required by the Franchisor.

C. The Franchisee's Annual Business Plan. The Franchisee must submit to the Franchisor a Business Plan each year, on the date set forth in the Summary Pages, which shall be developed in connection with the Franchisor's designated personnel.

D. The Franchisor's Right to Audit. The Franchisor or its designated agents may, at any time, with or without notice, examine or audit and copy, the Franchisee's books and Records. The Franchisor may interview the Franchised Business's current and former employees, customers and suppliers. At the Franchisor's request, the Franchisee shall provide the Franchisor or its

designated agent with photocopies of Records and deliver them to the address the Franchisor designates. The Franchisor may examine Records of any of the Franchisee's suppliers and the Franchisee hereby authorizes all of its suppliers to release such information to the Franchisor or to its designated agent. If any audit reveals that the Franchisee has underreported the Franchised Business's Revenues by more than two percent (2%) in any report to the Franchisor, the Franchisor may at its option, charge the Franchisee for any and all costs and expenses incurred in connection with such audit. The Franchisee must pay to the Franchisor any amounts owing, immediately upon demand, together, with the Interest, from the date such amounts were due until paid. If the Franchisor or its designated agent is unable to conduct an inspection, investigation or audit because of the Franchisee's failure to cooperate, the Franchisee shall pay the Franchisor for all costs it has incurred in such attempt. Such remedy shall be in addition to any other remedies available to the Franchisor under this Agreement or otherwise. If the Franchisor's audit reveals understated payments more than twice during the Term, the Franchisor at its option, in addition to any other remedies it may have, may elect to require the Franchisee's future financial statements, as required by this Agreement, be audited at the Franchisee's expense.

E. The Franchisor's Right to Change or Modify Bookkeeping, Accounting, and Records Practices. The Franchisor may modify or change its bookkeeping, accounting, and records practices from time to time, and the Franchisee must fully integrate any new bookkeeping, accounting, and records system that the Franchisor requires within the time period specified by the Franchisor.

F. The Franchisor's Right to Use Secret Shoppers/Customer Insight Programs. The Franchisor may hire or retain Persons to make contact with the Franchisee and the Franchisee's staff and customers for the purpose of evaluating their compliance with System standards. As part of the evaluation, telephone or other conversations may be recorded and the Franchised Business may be photographed. The Franchisee consents to the Franchisor and its Representatives engaging in such activities and the Franchisee agrees to require each member of its Franchised Business's staff to consent to such activities. The Franchisee shall pay to the Franchisor, or its designated vendor, the costs charged by the vendor in operating the secret shopper/customer insight program for the Franchisee.

14. INSURANCE

A. Insurance Requirements. Before the Opening Date, the Franchisee must obtain the insurance coverage described in the Manuals under policies of insurance issued by the insurance carrier(s) that the Franchisor designates or, if the Franchisor does not designate a specific insurance carrier, by carriers having an A.M. Best rating of "A" or better. The Franchisee must maintain all required policies in force during the entire Term of this Agreement. Before the expiration of the term of each insurance policy, the Franchisee must furnish the Franchisor with an insurance endorsement, certificate, and such other documentation as the Franchisor designates for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each. The Franchisee's obligation to maintain insurance coverage, as described in this Agreement, shall not be reduced in any manner by reason of any separate insurance the Franchisor maintains on its own behalf; nor shall the Franchisor's maintenance of that insurance relieve the Franchisee of any obligations under this Section 14. The Franchisor may increase or decrease the amounts of coverage required under these insurance policies as stipulated by the Manuals and may

require different or additional kinds of insurance at any time, including excess liability insurance. Each insurance policy must name the Franchisor (and, if the Franchisor so requests, its Representatives, as additional insureds and must require the insurance carrier to provide the Franchisor with ten (10) days advance written notice of any material modification, termination, cancellation, or expiration of the policy. The Franchisee must obtain its insurance from an insurance carrier designated or approved by the Franchisor.

B. **Insurance Procurement.** If the Franchisee at any time fails or refuses to maintain any insurance coverage required by the Franchisor, or to furnish satisfactory evidence thereof, the Franchisor, at its option and in addition to any other rights and remedies available, may, obtain such insurance coverage on behalf of the Franchisee and the Franchisee must then pay the Franchisor on demand, the Insurance Procurement Fee.

15. TRANSFER OF INTERESTS

The Franchisee may not make a Transfer except as permitted by this Section 15. Any Transfer or attempted Transfer without the Franchisor's prior consent or which otherwise violates the requirements in this Section 15 shall be ineffective against the Franchisor and, without limiting the Franchisor's remedies, shall constitute a material breach of this Agreement.

A. **Prior Consent.** Neither the Franchisee nor its Owners may affect an Asset Transfer without the Franchisor's prior written consent, which shall be conditioned on the following:

1. at the time of Asset Transfer, the Franchisee and its Owners must be in full compliance with all obligations under this Agreement and all other agreements between the Franchisee and the Franchisor and the Franchisor's Representatives;

2. the proposed transferee must have demonstrated to the Franchisor's satisfaction that it satisfies all of the Franchisor's standards;

3. the purchase price and terms of the Transfer will not, in the Franchisor's judgment, negatively impact the capability of the Franchised Business to operate profitably following the Transfer;

4. the transferee executes the Franchisor's then-current form of franchise agreement of the type which is to be the subject of the Transfer (which may contain different terms and conditions from this Agreement, and which may limit the term of the transferee's Franchise to the unexpired Term of this Agreement, and which shall supersede the terms of this Agreement), personal guaranty, assignment of telephone number(s) and other collateral agreements the Franchisor may then require;

5. the transferee upgrades the Franchised Business to meet the Franchisor's then-current standards for new Cheeky Monkeys® Franchised Businesses;

6. the transferee and its Owners provide the Franchisor with a waiver and release with respect to liability for any financial data, financial performance representations, other representations and information the Franchisee or its Representatives have provided the transferee;

7. the transferee and the transferee's Designated Owner and General Manager satisfactorily complete the Franchisor's training program;

8. the Franchisee sends the Franchisor a notice requesting the Franchisor's approval of a Transfer and provides the Franchisor with a Transfer Fee; the Franchisor may further condition its approval of a Transfer on the transferor's reimbursing the Franchisor for the expenses it incurs which are related to the Transfer which exceeds the Transfer Fee;

9. the Franchisee and its Representatives and its respective Owners and Guarantors provide to the Franchisor an unconditional, general release of all claims they have against the Franchisor, and its Representatives; and

10. if the Asset Transfer encompasses the Franchisee or two (2) or more of its Owners' interest in this Agreement or in the Franchised Business, they designate and appoint the Franchisee to be the Transferees' agent and attorney in fact with whom the Franchisor may deal for all purposes expressed in or contemplated by this Agreement.

B. Involuntary Asset Transfer. No involuntary Asset Transfer or partitioning of one or more of the Franchisee's Owners' interests in this Agreement, whether in connection with a bankruptcy, foreclosure, divorce or other proceeding, shall be effective against the Franchisor unless the Franchisee complies with the requirements set forth in Section 15.A above.

C. Ownership Interest Transfer. Any Ownership Interest Transfer shall be subject to the Franchisor's prior written consent, which shall be conditioned on the following:

1. at the time of the Ownership Interest Transfer, the Franchisee is in full compliance with its obligations under this Agreement, and all other agreements between the Franchisor and the Franchisee and the Franchisor's Representatives;

2. each proposed Owner of the proposed transferee meets the Franchisor's criteria for qualifying as the new Franchisee and delivers a signed Personal Guaranty to the Franchisor;

3. if the Ownership Interest Transfer shall result in a change of Controlling Interest in the Franchisee, the transferee shall comply with Section 15.A;

4. if the Franchisor agrees to release the Transferor from further liability under this Agreement, or to release the Franchisee's Owners from further liability under a Personal Guaranty, the Franchisee and each of its Owners shall also give the Franchisor an unconditional, general release of all claims they and the Franchisee may have against the Franchisor, and its Representatives; and

5. if less than a Controlling Interest is transferred, the Transferee shall pay the Assignment Fee. If a Controlling Interest is transferred, the Transferee shall pay the Transfer Fee.

The Franchisee expressly authorizes the Franchisor to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms with the transferee, and to

withhold consent to transferees or transactions which do not satisfy the Franchisor's standards. The Franchisee and its Owners waive any and all claims that actions taken by the Franchisor or its Representatives in relation to a proposed Transfer.

D. Special Transfers

1. If the Franchisee is an individual or partnership who at any time notifies the Franchisor that it wants to assign the Franchise to a Business Entity in which the Franchisee shall own one hundred percent (100%) of the Ownership Interest (and, in the case of a partnership, a share ownership in the Business Entity apportioned the same as were the partnership interests), the Franchisor shall consent to the assignment and waive payment of a Transfer Fee or an Assignment Fee and its Right of First Refusal under Section 15.E provided that before the Transfer occurs, the Franchisor has received such documentation and information concerning the Business Entity and its Owners as the Franchisor requests. The required documentation shall include, (i) a certified list of the Business Entity's Owners (designating the amount and percentage of shares or units of beneficial ownership each Owner owns), (ii) a Personal Guaranty signed by each Owner, and (iii) an express assumption by the Business Entity of the Franchisee's obligations under this Agreement.

2. If the Franchisee is a Business Entity, the Franchisor shall consent to Ownership Interest Transfers among the Franchisee's original Owners and waive its Right of First Refusal under Section 15.E if the Transfer does not result in a change of a Controlling Interest. The transferor must deliver to the Franchisor such documentation and information concerning the Ownership Interest Transfer and the resulting ownership of the Franchisee as the Franchisor may request. The required documentation shall include, a Personal Guaranty signed by each Owner who has not previously executed such documents.

E. Right of First Refusal

1. If the Franchisee or one or more of the Franchisee's Owners wish to make a Transfer pursuant to any bona fide offer received from a third party to purchase that interest, then the proposed seller shall promptly notify the Franchisor in writing of the offer, and provide any additional information and documentation relating to the offer that the Franchisor requires. The Franchisor shall have the option, exercisable within thirty (30) days after receipt of all written documentation requested by the Franchisor describing the terms of the offer, to notify the proposed transferee that the Franchisor intends to acquire the proposed transferor's interest on the same terms and conditions that were offered by the proposed transferee.

2. Any material change in the terms of any offer before closing shall constitute a new offer subject to the Franchisor's option to purchase as in the initial offer. The Franchisor's failure to exercise the option set forth in this Section shall not constitute a waiver of any other provision of this Agreement, including the requirements of this Section. If the Franchisor exercises its option to purchase, the Franchisor shall not be liable for paying a brokerage or sales commission. If an offer provides for payment of consideration other than cash or involves certain intangible benefits, the Franchisor may elect to purchase

the interest proposed for sale for the reasonable cash equivalent. If the parties cannot agree within seven (7) days on the cash equivalent of the non-cash part of the offer, the Franchisor shall designate an independent appraiser to determine such amount and his determination shall be binding on the parties. The Franchisor may set off the cost of such appraisal against the purchase price. If the offer includes items which are not assets of the Franchised Business or items used in the Franchised Business, at the Franchisor's option, the Franchisor may acquire only the Franchised Business assets and such other items as the Franchisor selects, without any duty to purchase the other items included in the purchase offer. The apportionment of the value of the items to be purchased by the Franchisor shall be determined by the Franchisor, subject to an evaluation by an independent appraiser under the same procedures as non-cash consideration to be evaluated.

3. The Franchisor's decision not to exercise the Right of First Refusal granted by this Section shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 15, with respect to a proposed Transfer. If the Franchisor does not exercise its Right of First Refusal on any particular offer, any material change in the terms of the offer before closing shall constitute a new offer subject to the Franchisor's same Right of First Refusal as in the case of the initial offer. The Franchisor may assign its Right of First Refusal under this Section.

F. Purchase Upon the Franchisee's Designated Owner's Death or Disability

1. This Section 15.F applies only if the Franchisee (if the Franchisee is an individual) or its Designated Owner dies or suffers a Permanent Disability.

2. Upon the occurrence of an event described in Section 15.F.1, the Franchisee's Principals or personal representative shall appoint an interim Designated Owner or General Manager to operate the Franchised Business, and within fifteen (15) days of such event notify the Franchisor of the event and indicate the Franchisee's intention of continuing to operate the Franchised Business, pursuant to this Section 15.F.2. During the first one hundred twenty (120) days after the death or Permanent Disability occurs, the Franchisor shall evaluate the interim management's willingness and ability to operate the Franchised Business in compliance with this Agreement. By the end of the one hundred twenty (120) day evaluation period, the Franchisor shall decide whether the interim management is qualified to manage the Franchised Business and become its Designated Owner or General Manager, and the Franchisor shall notify the Franchisee's Owners and/or personal representative of the Franchisor's decision. As a condition of continuing the franchise relationship, the Franchisee must satisfy all requirements of this Agreement and each Owner must furnish the Franchisor with a signed Personal Guaranty, and any deficiencies in the Franchisee's compliance with the requirements of this Agreement must be cured. The Franchisor also may require the new Designated Owner or General Manager to attend and satisfactorily complete the Franchisor's initial training program.

3. If any of the conditions stated in Section 15.F.2 is not satisfied, or if the Franchisor decides that the interim management has not adequately demonstrated its business qualifications or commitment to the franchise relationship, the estate, its

beneficiaries, the Owners, or the surviving Principals shall have one hundred twenty (120) days after delivery of the Franchisor's notice to (a) locate a new Designated Owner who is acceptable to the Franchisor or (b) sign a binding contract to sell the Franchised Business or a Controlling Interest in the Franchisee to a buyer approved by the Franchisor in accordance with, and in a transaction structured to comply with, this Section 15. The proposed sale shall be subject to the Franchisor's Right of First Refusal under Section 15.E.

4. If any of the Franchisee's Owners fails to sign a binding contract of sale before the one hundred twenty (120) day selling period expires, or if a contract is signed, but the proposed sale is not concluded within thirty (30) days after the Franchisor relinquishes its option under Section 15.E, the Franchisor shall have an additional option during the next thirty (30) days to purchase the interest the deceased or Permanently Disabled person held at the date of death or Permanent Disability. The purchase price for the interest shall be its fair market value, determined through negotiations or by appraisal. Unless otherwise agreed by the parties, the purchase price shall be payable in cash at closing. If the Franchisor delivers written notice of its intention to exercise the option within the thirty (30) day period, the option shall be considered effectively exercised whether or not the purchase is actually consummated within the thirty (30) day period.

5. If the parties fail to agree on a purchase price for the interest within twenty-one (21) days after delivery of the Franchisor's notice, the purchase price shall be determined by an appraiser selected by the Franchisor in accordance with the appraisal process specified in Section 15.E.

G. Transfer by the Franchisor. The Franchisor and any holder of an Ownership Interest in the Franchisor may voluntarily, involuntarily, directly or indirectly sell, assign, transfer, license, sublicense, sublease, collaterally assign, grant a security, collateral or conditional interest, inter vivos transfer, testamentary disposition or other disposition of all or any part of its rights or obligations under this Agreement or any Ownership Interest in the Franchisor to any person. The Franchisee agrees not to interfere in or to attempt to interfere with a proposed Transfer by the Franchisor or by the Franchisor's Owners. Specifically, and without limitation to the foregoing, the Franchisor may sell its assets, Marks, or the System to a third party; may offer its securities privately or publicly; may merge, spin-off, acquire other business entities, or be acquired by another business entity; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; and with regard to any or all of the above sales, assignments, and dispositions, the Franchisee expressly and specifically waives any claims, demand, or damages against the Franchisor arising from or related to the transfer of the Marks (or any variation thereof) or the System from the Franchisor to any other party. If the Franchisor assigns its right in this Agreement, the Franchisor shall be released from all further liability under this Agreement. Nothing contained in this Agreement requires the Franchisor to offer any services or products, whether or not bearing the Marks, to the Franchisee after the Franchisor assigns its rights in this Agreement.

16. TERMINATION OF FRANCHISE

A. By the Franchisee.

1. If the Franchisee is in compliance with this Agreement, and the Franchisor materially breaches this Agreement and fails to cure such breach within thirty (30) days after the Franchisee delivers written notice to the Franchisor, then the Franchisee may terminate this Agreement, effective thirty (30) days after delivery to the Franchisor of proper notice. Any termination of this Agreement by the Franchisee, without complying with these requirements, shall be deemed a termination by the Franchisee without cause.

2. If the Franchisee terminates this agreement without cause, the Franchisee must pay to the Franchisor an amount equal to twenty-four (24) times the average monthly Royalty Fee that the Franchisee owed to the Franchisor during the twelve-month (12-month) period directly preceding the Termination Date.

B. By the Franchisor. This Agreement shall terminate without further action by the Franchisor on notice to the Franchisee if the Franchisee or any of the Franchisee's Representatives:

1. fails or refuses to make payments of any amounts due the Franchisor or its Representatives for Royalty Fees, Marketing Fund Contributions, or purchases from the Franchisor or its Representatives, or fails to pay any other amounts due to the Franchisor or its Representatives, or fails to cooperate with the Franchisor or its designated agent in efforts to conduct an audit inspection or investigation and does not correct such failure or refusal within ten (10) days after written notice of such failure is delivered to the Franchisee;

2. fails or refuses to comply with any other provision of this Agreement, or any mandatory specification, standard or operating procedure prescribed in the Manuals or otherwise in writing, and does not correct such failure within thirty (30) days;

3. violates any environmental, safety, sanitation, data security, data retention or other applicable law, ordinance or regulation and does not immediately begin to cure the non-compliance or violation, and correct such non-compliance or violation within twenty-four (24) hours after written notice is delivered to the Franchisee;

4. fails to satisfactorily complete the initial training program as provided in Section 12.A of this Agreement;

5. fails to begin operating the Franchised Business within one-hundred and eighty (180) days after the Effective Date, unless an extension is mutually agreed upon;

6. has made any material misrepresentation or omission in their application for the Franchise or other documents or reports submitted to the Franchisor;

7. is convicted of a felony or pleads no contest to a felony, or is convicted of or pleads no contest to any other crime or offense that is likely to adversely affect the reputation of the Franchisor, the Franchisee or the System;

8. makes any unauthorized use, disclosure or duplication of any portion of the Manuals, or duplicates or discloses or makes any unauthorized use of any of the Franchisor's Confidential Information;

9. fails to relocate to approved Premises within an approved period of time following expiration or termination of the lease for the Premises;

10. surrenders or transfers control of the operation of the Franchised Business, makes an unauthorized direct or indirect Transfer, fails or refuses to assign the Franchise or the interest in the Franchise of a deceased or disabled Designated Owner thereof as required herein;

11. mistakenly or unintentionally underreports Revenues by two percent (2%) or more on three (3) or more occasions during any eighteen (18) month period, or by five percent (5%) or more for any period of one (1) month or greater, or intentionally underreports Revenues at any time;

12. acknowledges that the Franchisee is unable to pay its debts as they come due or commits any other affirmative act of insolvency, or files any petition or action of insolvency, or for appointment of a receiver or trustee, files a petition in bankruptcy or makes any assignment for the benefit of creditors, or fails to vacate or dismiss within sixty (60) days after filing any such proceedings commenced against the Franchisee by a third party;

13. is subject to a dismissal of a liquidation proceeding pursuant to 11 U.S.C. Section 707, dismissal of a reorganization proceeding pursuant to 11 U.S.C. Section 1112, revocation of an order of confirmation pursuant to 11 U.S.C. Section 1330(b) or dismissal of a debt adjustment proceeding pursuant to 11 U.S.C. Section 1307;

14. materially misuses or makes an unauthorized use of any Marks or commits any act which can reasonably be expected to materially impair the goodwill associated with any Marks, including any act on a website, social media, blog, or any other electronic media that materially impairs the goodwill associated with any Marks;

15. fails to appoint a new Designated Owner within fifteen (15) days after the Franchisee's death or Permanent Disability, or within fifteen (15) days of the death or Permanent Disability of the Designated Owner;

16. loses the right to possession and use of the Premises;

17. fails to pay when due any taxes due related to the operations of the Franchised Business, unless the Franchisee is, in good faith, legally contesting the Franchisee's liability for such taxes;

18. fails to obtain or retain any license or certification required by law or the Manuals for the operation of the Franchised Business;

19. defaults under the terms of any other Cheeky Monkeys® franchise agreement, Cheeky Monkeys® area development agreement, or any other agreement with the Franchisor or its Representatives and fails to cure each such default within the time specified in such agreement, if such agreement permits the default to be cured. If such a

default is not curable, this Agreement shall terminate upon the Franchisee's receipt of a notice of termination;

20. fails to obtain or to maintain insurance coverage as required by Section 14;

21. fails to (a) operate the Franchised Business or offer Services for three (3) or more consecutive business days on which the Franchisee was required to operate, or (b) to conduct the minimum number of hours of Services the Franchisor requires on three (3) separate days, unless the Franchisor determines, in its sole discretion, that the failure was beyond the Franchisee's control; and

22. fails to use the software that the Franchisor requires or attempts to (or actually does or causes others to) reverse engineer, decompile, remove or defeat the security features, or otherwise uncover the proprietary code for the Franchisor's software.

C. Options In Lieu of Termination. In addition to the Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights against the Franchisee, if the Franchisee has not cured a default under this Agreement within the twenty (20) days after receipt of a notice of default from the Franchisor, the Franchisor may, at its option, enter the Premises and exercise complete authority with respect to the operation of said business until such time as the Franchisor determines that the Franchisee's default has been cured and that there is compliance with the requirements of this Agreement. The Franchisee specifically agrees that a designated representative of the Franchisor may take over, control, and operate said business, and that the Franchisee shall pay the Franchisor the Temporary Management Fee specified in the Manuals, plus all Travel-Related Expenses so long as such expenses are required by the representative to enforce compliance herewith. The Franchisee further agrees that if, as herein provided, the Franchisor temporarily operates the Franchisee's Franchised Business, the Franchisee shall indemnify and hold harmless the Franchisor and any representative of the Franchisor who may act hereunder, respecting any and all acts and omissions which the Franchisor may perform, or fail to perform as regards to the interests of the Franchisee or third parties.

D. Other Remedies. The Franchisor has the right, but not the obligation, to undertake any one (1) or more of the following actions instead of terminating this Agreement:

1. the Franchisor may terminate or modify any rights that the Franchisee may have with respect to protection, "exclusivity," or quasi-exclusivity in the Territory, effective ten (10) days after delivery of written notice thereof to the Franchisee;

2. the Franchisor may modify or reduce the size of the Territory;

3. the Franchisor may withhold from the Franchisee certain benefits, plans, promotions or products that might be available other Cheeky Monkeys®, and/or the Franchisor may not authorize the Franchisee to engage in certain activities, or participate in certain meetings or events, unless and until the Franchisee cures the Franchisee's default(s) and operates in compliance with this Agreement and the Franchisor's rules, policies and standards; and/or

4. The Franchisor may require the Franchisee and/or the Designated Owner or General Manager to attend and successfully complete up to four (4) days of training and meetings conducted at the Franchisor's headquarters or any other location the Franchisor may designate.

The Franchisor's exercise of its rights under this Section 16.D will not (i) be a defense for the Franchisee to the Franchisor's enforcement of any other provision of this Agreement, or waive or release the Franchisee from any of the Franchisee's other obligations under this Agreement, (ii) constitute an actual or constructive termination of this Agreement, or (iii) be the Franchisor's sole or exclusive remedy for the Franchisee's default. The Franchisee must continue to pay all fees and otherwise comply with all of its obligations under this Agreement following the Franchisor's exercise of any of these rights. If any of such rights, options, arrangements, or areas are terminated or modified in accordance with this Section 16.D, such action shall be without prejudice to the Franchisor's right to terminate this Agreement, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

17. THE FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Payment of Monies Owed to the Franchisor. The Franchisee agrees to pay to the Franchisor or its Representatives, within fifteen (15) days after the Termination Date or the Expiration Date, such Royalty Fees, Marketing Fund contributions, payments for inventory, equipment, merchandise, and any of the Products or services purchased by the Franchisee from the Franchisor or its Representatives, and any other sums owed to the Franchisor by the Franchisee. The Franchisee shall also be liable to the Franchisor's Representatives for all costs and expenses (and interest) they incur in enforcing this Agreement. For the purposes of this Section 17.A, the word "enforce" includes, but is not limited to, the execution, administration, collection, enforcement, protection, and/or waiver of the terms of this Agreement.

B. Return of Manuals and Other Materials. The Franchisee agrees upon termination or expiration of this Agreement to immediately return to the Franchisor all copies of the Manuals, marketing and advertising materials, and any other materials loaned by the Franchisor.

C. Deliver Records. The Franchisee agrees upon termination or expiration of this Agreement to immediately deliver to the Franchisor in the form requested by the Franchisor, complete records of the Franchised Business in the form requested by the Franchisor, Including:

1. complete financial records of the Franchised Business, including the Records;
2. statements of account showing all amounts owed by or to the Franchisor or to any customers or third-party for any reason, and all amounts due to the Marketing Fund by the Franchisee;
3. a summary of all claims, lawsuits, threats of litigation, government investigations, and copies of any documents that relate to the claims, threats or investigation; and

4. all other records relating to the Franchised Business which the Franchisor may request.

D. Assign Contracts. At the Franchisor's option, the Franchisee shall assign to the Franchisor or to its designee all agreements which the Franchisor requires the Franchisee to assign, which shall include copies of all contracts, leases, options, guarantees, commitments, written or oral, which the Franchisee has, relating to the operation of the Franchised Business.

The cost of providing this information shall be paid by the Franchisee. The Franchisee must cooperate fully with the Franchisor and its Representatives in providing such oral or written answers to questions relating to the Franchised Business as they may request.

E. Cancel Assumed Names/Transfer Phone Numbers and Any Online Presence. The Franchisee agrees upon termination or expiration of this Agreement to take such action that may be required to cancel all assumed names or equivalent registrations relating to use of any Marks, and at the Franchisor's option, to terminate or to transfer all telephone numbers, email accounts, social media accounts, websites or any other online presence used in or established in connection with the Franchised Business to the Franchisor or to its designee. The Franchisor may immediately file with the Franchisee's local telephone company the Assignments of Telephone Numbers that the Franchisee has provided the Franchisor as reflected in Schedule C and may instruct the telephone company to transfer use and control of the Franchised Business's telephone numbers to the Franchisor or its designee. If the Franchisee's Assignment of Telephone Numbers is no longer valid, the Franchisee shall immediately execute a new Assignment of Telephone Numbers in the form requested by the Franchisor. The Franchisee irrevocably constitutes and appoints the Franchisor and its designee as the Franchisee's agent and attorney-in-fact to effect the transfer of the Franchised Business's telephone number(s) address(es), including authority to execute and deliver on the Franchisee's behalf any transfer of service agreement the telephone company requires, and to revoke any call-forwarding or similar instructions the Franchisee has given the telephone company. The Franchisee must, upon termination or expiration of this Agreement, take such action as may be required to transfer any e-mail addresses, social media accounts, websites, or other online presence associated with the Franchised Business to the Franchisor and provide to the Franchisor any username or password required to maintain such accounts. The Franchisor shall have no liability to the Franchisee on account of, or arising from, any action it authorizes or takes to effect the transfer of the Franchised Business's telephone number(s), e-mail address(es), or social media accounts or other online accounts in accordance with this Section 17.E. In addition, the Franchisor shall be entitled to injunctive or similar relief, without bond, against the Franchisee and any other person bound to enforce compliance with these requirements.

F. Cease Operation of the Franchised Business. The Franchisee agrees upon termination or expiration of this Agreement, to cease to operate the Franchised Business, and to not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former franchisee of the Franchisor.

G. Assign the Lease. Upon termination or expiration of this Agreement, the Franchisee shall, at the Franchisor's option, and without paying compensation to the Franchisee, assign to the Franchisor, or to the Franchisor's designee, the Franchisee's interest in any lease then in effect for the Premises. The Franchisor shall notify the Franchisee of its intent to exercise this

option and the identity of the designee within thirty (30) days of the termination or expiration of this Agreement.

H. Cease Using Marks. Upon termination or expiration of this Agreement, the Franchisee shall immediately and permanently cease to use, by advertising, or in any manner whatsoever, any confidential methods, procedures, and techniques associated with the Franchisor and the Marks and any proprietary marks, trade dress, distinctive furnishing and layout of the Franchised Business, and distinctive forms, slogans, signs, symbols, logos, devices and other IP associated with the System. In particular, the Franchisee shall cease to use all signs, advertising materials, stationery, forms, and any other articles which display the Marks.

I. Ongoing Services. Upon termination or expiration of this Agreement, the Franchisee shall comply with the Franchisor's instructions regarding any Services that the Franchisee is providing at the Franchised Business.

J. The Franchisor's Option to Purchase Franchised Business. If this Agreement expires or is terminated for any reason (other than the Franchisor's material breach of this Agreement), the Franchisor has the option, upon thirty (30) days' written notice from the Expiration Date or Termination Date, to purchase from the Franchisee all the tangible and intangible assets relating to the Franchised Business, including the Franchised Business Premises if the Franchisee owns the Franchised Business Premises (excluding any unsalable inventory, cash, short-term investments and accounts receivable) and to an assignment of the lease for (1) the Premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as the lease) and (2) any other tangible leased assets used in operating the Franchised Business. If the landlord of the Franchised Business Premises is an Affiliate of the Franchisee, the Franchisor shall have the right to assume the lease on terms generally consistent with then-current market rates for space in the immediate area surrounding the Franchised Business location. The Franchisor may assign its rights hereunder to a third party.

The purchase price for the Franchised Business shall be the fair market value of the purchased assets; provided that: (1) the Franchisor may exclude from the purchased assets any products or other items that were not acquired in compliance with this Agreement; and (2) the Franchisor may exclude from fair market value any provision for goodwill or similar value attributable to intangible property (such as the Marks and Confidential Information). If the parties cannot agree on fair market value within a reasonable time, the Franchisor shall designate an independent appraiser to determine the fair market value of the purchased assets. The determination of such appraiser shall be binding on the parties hereto, and the costs of such appraisal shall be divided equally between the Franchisor and the Franchisee. The purchase price, as determined above, shall be paid in cash at the closing of the purchase, which shall occur within a reasonable time, not to exceed sixty (60) days, after the fair market value is determined. At the closing, the Franchisee shall deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to the Franchisor or its designee and such other documents the Franchisor may reasonably request to permit the Franchisor to operate the Franchised Business without interruption. The Franchisor may set off against and reduce the purchase price by all amounts the Franchisee owes to the Franchisor or any of the Franchisor's Affiliates. If the Franchisor exercises its option to purchase the Franchised Business,

the Franchisor may, pending the closing, appoint a manager to maintain Franchised Business operations.

If the Franchisor assumes the lease for the Franchised Business under this Section, the Franchisee shall pay, remove or satisfy any liens or other encumbrances on the Franchisee's leasehold interest and shall pay in full all amounts due the lessor under the lease existing at or prior to assumption. The Franchisor is not liable for any obligation to the lessor that the Franchisee incurs before the date the Franchisor assumes the lease.

18. COVENANTS

A. Full-Time Operation of Business. The Franchisee covenants during the Term, the Franchisee, or the Franchisee's Designated Owner, and the Franchisee's General Manager, shall devote full-time energy and best efforts to the management and operation of the Franchised Business, and shall refrain from engaging in any Competitive Business, directly or indirectly, during the Term, except pursuant to another Cheeky Monkeys® franchise agreement.

B. No Diversion of Business. The Franchisee's Representatives covenant that they shall not directly or indirectly, for themselves, through, on behalf of, or in conjunction with any person or legal entity divert or attempt to divert any business or customer of the Franchised Business, or of any other Franchised Business, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

C. Covenants Not To Compete. The Franchisee and its Owners covenant, except as otherwise approved in writing by the Franchisor, that they shall not, for a continuous uninterrupted period commencing upon the Expiration Date or Termination Date of this Agreement, regardless of the cause for termination, and continuing for twenty-four (24) months, either directly or indirectly, for themselves, on behalf of, or in conjunction with any person, individual or Business Entity sell, promote, recommend, own, maintain, advise, help, invest in, make loans to, engage in or have any interest in any Competitive Business:

1. at the Premises; or
2. within a radius of ten (10) miles from the Franchised Business or within a radius of ten (10) miles from another Cheeky Monkeys® Franchised Business that is then in operation.

If the Franchisee fails to immediately comply with this covenant, the covenant shall extend for twenty-four (24) months from the date the Franchisee begins to comply.

D. Covenants Are Independent. The Franchisee and the Franchisor agree each of the covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 18 is held unenforceable by a court or agency having valid jurisdiction in any final decision to which the Franchisor is a party, the Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulted covenant were separately stated in and made a part of this Section 18.

E. Right to Reduce Scope. The Franchisor may, in its sole discretion, reduce the scope of any covenant set forth in this Section 18, or any portion thereof, without the Franchisee's consent, effective immediately upon receipt by the Franchisee of written notice thereof. The Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

F. Claims Are Not Defense to Covenants. The Franchisee's Representatives expressly agree that the existence of any claim they may have against the Franchisor or its Representatives, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Franchisor of the covenants in this Section 18.

G. Injunctive Relief Available to the Franchisor. The Franchisee acknowledges that any failure to comply with the requirements of this Section shall cause the Franchisor irreparable injury. The Franchisee consents to any order for injunctive or other extraordinary relief against any such failure to comply being obtained by the Franchisor without the necessity for the Franchisor to post a bond. The Franchisor may further avail itself of any legal or equitable rights and remedies under this Agreement or otherwise.

H. Non-Disparagement. To the extent permitted by applicable law, the Franchisee's Representatives expressly agree that they shall not, at any time, either orally or in writing or through any other medium, or any other form of communication, (i) disparage, defame, impugn or otherwise damage or assail the reputation, integrity or professionalism of the Franchisor's Representatives, the Franchisees of the Franchisor, or any of their Representatives, or (ii) encourage any of the Franchisor's Cheeky Monkeys® Franchisees to abandon their franchise, not pay fees due to the Franchisor or its Affiliates, or not support the Franchisor or any of its programs in any way.

I. Identifying Business Information. The Franchisee and its Representatives agree to permit the Franchisor to disclose identifying information about the Franchised Business, including information about the name, address and telephone number of the Franchised Business, and any termination of the franchise relationship outlined in the Franchisor's Disclosure Document.

19. TAXES, PERMITS, AND INDEBTEDNESS

A. The Franchisee Must Pay Taxes Promptly. The Franchisee shall promptly pay, when due, all taxes levied or assessed against the Franchised Business, including unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by the Franchisee in the conduct of the Franchised Business. The Franchisee shall promptly pay when due all taxes assessed on the Franchisor regarding the operation of the Franchised Business. If a gross receipts tax or other tax which is based on Revenues, receipts, sales, business activities or operation of the Franchised Business is imposed upon the Franchisor by any taxing authority (other than a withholding tax imposed on the Franchisor by the U.S. Internal Revenue Code), then the Franchisee shall reimburse the Franchisor in an amount equal to the amount of such taxes and related costs imposed upon and paid by the Franchisor.

B. The Franchisee May Contest Tax Assessment. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, the Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, in no event shall the Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises or any assets of the Franchised Business.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. The Franchisee Must Notify the Franchisor of Lawsuits. The Franchisee shall notify the Franchisor in writing immediately of the commencement of any investigation, inquiry, action, suit or proceeding against the Franchisee or of the issuance of any subpoena, summons, order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which arises out of, concerns, or may affect the operation, reputation or financial condition of the Franchised Business, including any action or proceeding brought by the Franchisee against its employees, Owners or other persons who are associated or affiliated with the Franchisee.

B. No Fiduciary Relationship. It is understood and agreed by the Franchisee that the relationship created by this Agreement does not constitute a fiduciary relationship.

C. The Franchisee is an Independent Contractor. The Franchisee is an independent contractor and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. The Franchisee must at all times hold itself out to the public as an independent contractor operating its business pursuant to a Franchise from the Franchisor. The Franchisee shall conspicuously identify itself in all dealings with its customers, contractors, suppliers, public officials, and others, as an independent franchisee of the Franchisor; and must place such notice of independent ownership on all business forms, business cards, stationery, advertising, signs, and other materials, as the Franchisor may specify in the Manuals. Except as otherwise expressly authorized by this Agreement, neither the Franchisee nor the Franchisor may make any express or implied agreements, warranties, guarantees or representations; or incur any debt in the name of or on behalf of the other party; or represent the relationship between the Franchisor and the Franchisee is other than that of the Franchisor and the Franchisee. The Franchisor does not assume any liability, and shall not be deemed liable, for any agreements, representations or warranties made by the Franchisee, which are not expressly authorized under this Agreement. The Franchisor shall not be obligated for any damages to any person or property, which directly or indirectly arise from or are related to the operation of the Franchised Business. The Franchisee's employees are not employees of the Franchisor.

D. The Franchisee is the Employer of Its Employees. The Franchisee acknowledges and agrees that Franchisee is solely responsible for all employment decisions and functions of the Franchised Business including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether the Franchisee receives advice from Franchisor on these subjects. The Franchisee acknowledges and agrees that all personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, shall be made by the Franchisee, and such decisions and actions shall not be, nor be

deemed to be, a decision or action of Franchisor. The Franchisee acknowledges and agrees that all staff of the Franchised Business are the exclusive employees of the Franchisee and are not the employees of the Franchisor nor joint employees of the Franchisee and Franchisor.

E. Arbitration of Any Claims by Employees Against the Franchisor. The Franchisee agrees that it shall include in its employment agreements with its employees, and in its Manuals, the requirement that any claim that an employee of the Franchisee may make against the Franchisor must be arbitrated on an individual basis, and must not be part of a class action.

F. Indemnification. The Franchisee agrees at all times to defend at the Franchisee's expense, to indemnify and hold harmless to the fullest extent permitted by law, the Franchisor's Representatives from all Losses and Expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof, which arises out of the Franchised Business, this Agreement, and the relationship between the parties, Including the following:

1. the Franchisee's infringement or any other alleged violation of any patent, trademark, or other proprietary right that is owned, licensed or controlled by the Franchisor;
2. the Franchisee's alleged violation of any law, regulation or ordinance, or any directive or any industry standard;
3. the Franchisee's libel, slander or any other form of defamation;
4. the Franchisee's alleged violation or breach of any warranty, representation, agreement or obligation in this Agreement;
5. any acts, errors or omissions of the Franchisee or any of its agents, servants, employees, contractors, partners, proprietors, Affiliates, or representatives, including any claim or finding that relates to any party making a finding of any joint employer status;
6. any Services provided by the Franchisee related to the operation of the Franchised Business;
7. any injury that arises out of the products and services provided by the Franchisee.

21. WAIVER

No failure of the Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by the Franchisee with any obligation or condition, and no custom practice of the parties at variance with the terms, shall constitute a waiver of the Franchisor's right to demand exact compliance with any such terms. Waiver by the Franchisor of any particular default by the Franchisee shall not affect or impair the Franchisor's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, forbearance or omission of the Franchisor to exercise any power or right arising out of any breach or default by the Franchisee of any of the terms, provisions or covenants, affect or impair the Franchisor's right

to exercise same; nor shall such constitute a waiver by the Franchisor of any preceding breach by the Franchisee of any terms, covenants or conditions of this Agreement.

22. ENFORCEMENT

The following provisions apply to resolution of any disputes arising out of or relating to this Agreement:

A. Dispute Resolution. All disputes arising between the Franchisor's Representatives and the Franchisee's Representatives arising out of or related to the relationship of the parties hereto, this Agreement, or any other agreement between the parties or any provision of such agreement and the validity thereof, will be submitted the binding arbitration under rules of the American Arbitration Association, or its successor, then in effect.

1. The legal seat of such arbitration proceedings will be the city and state where the Franchisor has its U.S. headquarters. The commercial arbitration will be heard by one (1) arbitrator agreed to by the Franchisor and the Franchisee. Subject to Franchisor's rights under federal trademark laws, all claims arising out of or relating to this Agreement and/or the parties' relationship will be governed by, and will be interpreted exclusively in accordance with, the procedural and substantive laws of the State of Texas, irrespective of any conflict of laws.

2. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

3. The claims arbitrated may be only those arising out of this Agreement, and those claims may not be joined with those of any other party (except the parties' Representatives) or heard on a class action or consolidated basis. The parties agree that the binding effect of any decision shall be limited to the actual dispute or claim submitted to arbitration. The arbitrator must apply applicable law. No arbitration decision shall have any collateral effect with respect to any other dispute or claim.

4. All arbitration proceedings respecting this Agreement will be kept confidential and no party will disclose to any person other than those necessary to the arbitration (a) the existence of the arbitration, (b) any document, testimony or other information relating to the arbitration, or (c) any settlement or arbitral awards or orders, except to the extent that such disclosure is required by law.

5. All claims arising out of or relating to this Agreement brought by either party against the other, whether in arbitration, litigation or any other proceeding, must be commenced within one (1) year from the occurrence of the facts giving rise to such claim; otherwise such claim shall be barred. The parties recognize that this time limit may be shorter than that otherwise allowed by law.

6. Each party agrees to first notify the other party in writing of any dispute or claim arising out of or relating to this Agreement. The written notification must specify, to the fullest extent possible, the notifying party's version of facts surrounding the dispute

or claim. The Franchisee agrees to use its best efforts to communicate with the Franchisor to attempt to resolve the dispute.

7. The Franchisee's Representatives and Guarantors represent and agree that the sole entity against which the Franchisee's Representatives and Guarantors may seek losses and/or damages or any remedy under law or equity for any claim arising out of or relating to this Agreement, if any, is the Franchisor or its successor or assignee. The Franchisee represents and agrees that the Franchisor's Representatives (other than the Franchisor itself) shall not be liable or named as a party in any legal proceeding commenced by the Franchisee's Representatives or Guarantors. The Franchisee's Representatives and Guarantors acknowledge that the Franchisor's Representatives have relied upon this representation, are intended beneficiaries of this representation, and where they are not the Franchisor may take legal proceedings in their own names and independently of the Franchisor in order to enforce any rights arising therefrom.

8. Notwithstanding any other provision in this Agreement, the Franchisor may send default notices to the Franchisee, and terminate or refuse to renew this Agreement without first providing notification as otherwise required by Section 24. and without the need to obtain any judicial, administrative or other resolution, ruling or award, and without incurring any responsibility derived therefrom. If the Franchisor terminates this Agreement and the Franchisee disputes the termination, the Franchisee must give notice of the dispute within thirty (30) days after the effective date of the notice of termination or otherwise shall be deemed to have accepted the termination.

9. If an arbitrator or court enters a binding order or judgment in any litigation between the Franchisee and/or its Representatives and the Franchisor and/or its Representatives, that any part, term or provision of this Agreement or any other agreement between the parties concerning the payment of monies due, directly or indirectly to the Franchisor is in any manner or to any extent void, invalid, or unenforceable or which requires the Franchisor to materially increase its duties or to incur liabilities which exceed its previously stated interpretation of those duties, the Franchisor may terminate this Agreement immediately upon delivering notice to the Franchisee.

B. Except as otherwise provided in this Agreement, the parties and their Representatives hereby waive, to the fullest extent permitted by law, the right to or a claim for any punitive, exemplary, inconsequential, or special damages against the other and agree that in the event of any dispute between them each only shall be liable to each other for actual damages which they sustain from a breach of the other party's duties. The prevailing party in any dispute resolved by arbitration or litigation may recover its attorneys' fees and costs from the dispute resolution process from the non-prevailing party(ies). The Franchisee shall be liable to the Franchisor's Representatives for the attorneys' fees, costs, and expenses (and interest) they incur in enforcing this Agreement and in successfully defending any claims or counterclaims the Franchisee's Representatives may assert against the Franchisor's Representatives. For the purposes of this Section 22.B., the word "enforce" shall have the meaning set forth in Section 17.A.

C. THE PARTIES AND THEIR REPRESENTATIVES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM,

WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY OR THEIR REPRESENTATIVES RELATING TO THE RELATIONSHIP BETWEEN THE PARTIES OR ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR REMEDY HEREUNDER.

D. Notwithstanding any other provision in this Agreement, there shall be no monetary limitation on damages with respect to any claim by the Franchisor's Representatives arising out of infringement of any of the IP, unfair competition, unauthorized disclosure of the Franchisor's Confidential Information, violations of the covenants not to compete (contained in Section 18 of this Agreement) or a Transfer in violation of Section 15. The Franchisee's Representatives agree that violations of these provisions may cause irreparable harm to the Franchisor and to other Cheeky Monkeys® Franchisees. Accordingly, the Franchisee and the Franchisee's Representatives hereby consent to the entry of an injunction, without the necessity of the Franchisor posting a bond, or providing an undertaking in damages, which prohibits the Franchisee and the Franchisee's Representatives from engaging in such violations. The Franchisor may bring any such proceeding in any court having jurisdiction in connection with any such claim, and pursue any remedy available under applicable law, including for injunctive, mandatory, or other extraordinary relief.

E. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required, or the taking of some other action not required, the prior notice or other action required by such law or rule shall be substituted for the notice of requirements in this Agreement.

F. The Franchisee agrees it shall not withhold payments of any fees or contributions or any other amounts of money owed to the Franchisor or its Representatives for any reason, on the grounds of the alleged non-performance by the Franchisor of any obligation.

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

H. This Agreement is binding upon the Franchisor and the Franchisee and their respective heirs, assigns, and successors in interest. Any promises made outside of the Disclosure Document and this Agreement are not enforceable. This Agreement shall become valid when executed and accepted by the Franchisor in the state where the Franchisor's headquarters is located.

I. The Recitals of Fact (Section 1) are a part of this Agreement, which together with, any other agreements or instruments referred to in this Agreement constitute the entire Agreement of the Franchisor and the Franchisee. There are no other oral or written understandings or agreements between the Franchisor and the Franchisee relating to the subject matter of this Agreement.

The headings of these several sections and paragraphs are for convenience only and do not define, limit or construe the contents of those sections or paragraphs. Except as expressly provided to the contrary, each section, part, term, and provision of this Agreement is considered severable. If for any reason, any section, part, term or provision is determined to be invalid or contrary to or in conflict with any existing or future law or regulation by a court or agency having competent jurisdiction, such determination shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and provisions of this Agreement that may remain otherwise intelligible; and the latter shall continue to be given full force and effect and to bind the Franchisor and the Franchisee. Any sections, parts, terms or provisions determined to be invalid shall be deemed deleted from this Agreement.

J. This instrument contains the entire Agreement between the Franchisor and the Franchisee relating to the rights granted and the obligations assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect excepting a subsequent modification in writing and signed by the Franchisor and the Franchisee. Nothing in this Agreement is intended to waive the Franchisee's right to rely upon representations made in the Franchisor's Disclosure Document, its exhibits and amendments, except for terms of this Agreement and agreements executed contemporaneously with it which the Franchisee negotiated with the Franchisor before their execution.

K. This Agreement shall only become effective when it has been signed by the Franchisor. No amendment to this Agreement and no Transfer shall become effective until they have been approved by the Franchisor in writing.

23. SECURITY INTEREST

The Franchisee hereby grants the Franchisor a Security Interest in its Collateral in accordance with the Uniform Commercial Code of the state in which the Franchised Business is located (the "UCC"), as security for the full and punctual payment of all of the fees and other amounts due under this Agreement, and the performance of, and compliance with, all of the terms, covenants and agreements contained in this Agreement. The Franchisee agrees that any default by the Franchisee under this Agreement which continues beyond any applicable cure period shall entitle the Franchisor to exercise any and all rights and remedies provided under the UCC with respect to any part of the Collateral, including the right to take possession of all personal property of the business subject to this Agreement without the use of judicial process (the Franchisee hereby waives all right to prior notice and a judicial hearing) and the right to require the Franchisee to assemble the same at the Franchised Business or such other place as the Franchisor may designate. Any disposition of so much of the Collateral as may constitute personal property shall be considered commercially reasonable if made pursuant to a public sale which is advertised at least twice in a newspaper of local circulation in the community where the Franchised Business is located. Any notice required to be given to the Franchisee pursuant to the UCC shall be considered reasonable and properly given if given in the manner and at the address provided in Section 24 at least five (5) calendar days prior to the date of any scheduled public sale. All such rights and remedies are cumulative and may be exercised either concurrently or independently of the Franchisor's other rights under this Agreement and in such order as the Franchisor may determine in its sole and absolute discretion.

24. NOTICES

All notices and consents required by this Agreement shall be written and sent to the location specified on the Summary Pages. All notices shall be given in writing in the English language. Notices shall be deemed delivered immediately if delivered by hand; by confirmed receipt if delivered by e-mail; deemed delivered in three (3) days after being placed in the mail (Certified Mail/Return Receipt Requested), postage prepaid and addressed to the party to be notified at its most current principal business address, which the recipient has provided the sender either on the Summary Pages or pursuant to the procedures specified in this Section, or on the second day after being sent by an overnight courier service (e.g. FedEx, UPS, DHL), and scheduled for next day delivery, or if sent by e-mail when receipt is acknowledged in a return e-mail by the intended recipient.

25. AUTHORITY

Except as otherwise provided, all references to the Franchisee in this Agreement is deemed to include, personally and individually, all the Franchisee's Owners, if the Franchisee is a Business Entity. All acknowledgments, promises, covenants, agreements, and obligations made or undertaken by the Franchisee are jointly and severally undertaken by them and by all signatories on behalf of the Franchisee and by all of the Franchisee's Representatives.

26. BUSINESS JUDGMENT

Notwithstanding any contrary provisions contained in this Agreement, the Franchisee's Representatives acknowledge and agree that:

A. This Agreement (and the relationship of the parties which arises from this Agreement) grants the Franchisor the discretion to make decisions, take actions or refrain from taking actions not inconsistent with the Franchisee's Representatives explicit rights and obligations hereunder that may affect favorably or adversely the Franchisee's Representatives interests;

1. the Franchisor shall use its business judgment in exercising such discretion based on its assessment of its own interests and balancing those interests against the interests, promotion, and benefit of the System and Cheeky Monkeys® Franchised Businesses generally (including the Franchisor, and its Representatives, and other Cheeky Monkeys® Franchisees), and specifically without considering the Franchisee's Representatives' individual interests or the individual interests of any other particular franchisee (examples of items that shall promote or benefit the System and Cheeky Monkeys® Franchisees' Cheeky Monkeys® businesses generally include enhancing the value of the Marks, improving customer satisfaction, improving quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System);

2. the Franchisor shall have no liability to the Franchisee's Representatives for the exercise of its discretion in this manner; and

3. even if the Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification, no trier of

fact in any legal action shall substitute his or her judgment for the Franchisor's judgment so exercised and no such action or decision shall be subject to challenge for abuse of discretion.

If the Franchisor takes any action or the Franchisor chooses not to take any action in its discretion with regard to any matter related to this Agreement and its actions or inaction if challenged for any reason, the parties expressly direct the trier of fact that the Franchisor's reliance on a business reason in the exercise of its discretion is to be viewed as a reasonable and proper exercise of its discretion, without regard to whether other reasons for its decision may exist and without regard to whether the trier of fact would independently accord the same weight to the business reason.

B. In granting approval, designating suppliers or setting standards, the Franchisor shall exercise its reasonable business judgment. However, in the exercise of its business judgment, the Franchisor shall not be liable to the Franchisee's Representatives, guarantors, customers, suppliers or anyone else, if the Franchisor's exercise of its business judgment results in a business loss, or if the advertising, service or software fails to meet either the Franchisor's, the Franchisee's or the customer's expectations. The Franchisor disclaims all warranties and liability for the acts or omissions of any contractors, vendors, suppliers, products or employees which the Franchisee use, purchase, retain or hire pursuant to the Franchisor's exercise of its business judgment hereunder.

27. TERRORISTS AND MONEY LAUNDERING ACTIVITIES

The Franchisee's Representatives represent and warrant to the Franchisor that none of the Franchisee's Representatives is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (text currently available at www.treas.gov/offices/enforcement/ofac/). Further, the Franchisee's Representatives represent and warrant that none of the Franchisee's Representatives has violated and agrees not to violate any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act (text currently available at <http://www.tres.gov/offices/enforcement/ofac/legal/eo/13224.pdf>), or any similar law. The foregoing constitute continuing representations and warranties, and the Franchisee and its Owners shall immediately notify the Franchisor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

28. SPECIAL REPRESENTATIONS

The Franchisee and its Owners represent as follows:

A. The Franchisee has conducted an independent investigation of the System and recognizes that the Franchisor's franchise program was established launched in the United States in 2019, and that the business venture contemplated by this Agreement involves business risks and that the Franchisee's success is largely dependent upon the ability of the Franchisee as an independent businessperson. The Franchisor expressly disclaims the making of, and the

Franchisee acknowledges it has not received, any warranty or guaranty, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

B. The Franchisee acknowledges having received, read, and understood this Agreement, and the Franchisee acknowledges the Franchisor has accorded the Franchisee the required time and opportunity to consult with advisors about the potential benefits and risks of entering into this Agreement. The Franchisee further acknowledges that it is fluent in the English language and has been provided with a full opportunity to read and understand this Agreement (and all of its appendices and/or attachments). The Franchisee acknowledges having had the opportunity to discuss with the Franchisor each of the provisions, including the essential provisions, of this Agreement.

C. The Franchisee acknowledges receipt of a complete copy of this Agreement, the Schedules referred to, and agreements relating to, if any, and the Disclosure Document at least fourteen (14) days prior to the earlier of (1) the date on which this Agreement or any other agreement was executed and (2) any payment of any consideration by or on behalf of the Franchisee to the Franchisor or any of its associates for the grant of the Franchise.

The rest of this page was left intentionally blank.

THE FRANCHISEE ACKNOWLEDGES THAT ITS SIGNATURE TO THIS AGREEMENT HAS NOT BEEN INDUCED BY ANY REPRESENTATION INCONSISTENT WITH THE TERMS OF THIS AGREEMENT OR INCONSISTENT WITH THE DISCLOSURE DOCUMENT GIVEN TO THE FRANCHISEE BY THE FRANCHISOR IN CONNECTION WITH THIS FRANCHISE. THIS AGREEMENT MAY BE AMENDED ONLY BY WRITTEN INSTRUMENT SIGNED BY ALL PARTIES.

THE FRANCHISOR:

Cheeky Monkeys Franchise Systems, LLC

_____ BY: _____
WITNESS

THE FRANCHISEE:

_____ BY: _____
WITNESS

_____ BY: _____
WITNESS

_____ BY: _____
WITNESS

SCHEDULE A
GUARANTY AND ASSUMPTION OF OBLIGATIONS

DATE OF AGREEMENT: _____

Cheeky Monkeys Franchise Systems, LLC (the “**Franchisor**”)

_____ (the “**Franchisee**”)

In consideration of, and as an inducement for the granting, execution, and delivery of the foregoing Franchise Agreement (“**Agreement**”) between the Franchisor and the Franchisee, the each of the undersigned (herein and in the Franchise Agreement collectively called the “**Guarantor**”), hereby personally and unconditionally (1) guarantees to the Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that the Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; (2) shall be personally bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including the provisions of Sections 8, 11, 15–20; and (3) acknowledges that he is included in the term “Owner” as used in the Agreement and makes all of the covenants, representations, warranties and agreements of Owners set out in the Agreement. Each of the undersigned waives: (1) acceptance and notice of acceptance 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 or non-performance of any obligations hereby guaranteed; (4) any right it may have to require that an action be brought against the Franchisee or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (1) its direct and immediate liability under this guarantee shall be joint and several; (2) it shall render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to the Franchisee or to any other person including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of the Agreement.

* * *

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OF OWNERSHIP IN
FRANCHISE, OR FRANCHISEE

%; _____

%; _____

%; _____

%; _____

%; _____

%; _____

SCHEDULE B
CONFIDENTIALITY AGREEMENT

(Between the Franchisee and the Franchisee's General Manager, and Other Managers and Key Employees)

This Agreement is made and entered into this ____ day of _____, 20__, between _____ a _____ (the "**Franchisee**") and _____ ("**Manager**").

RECITALS

WHEREAS, Cheeky Monkeys Franchise Systems, LLC and its affiliates (the "**Franchisor**") has developed a system of standards, specifications, products and services, methods, and procedures prescribed by the Franchisor relating to the establishment, development and operation of a Cheeky Monkeys® Franchised Business ("**Cheeky Monkeys® Franchised Business**") including lesson plans, curricula, and programs used in the operation of a Cheeky Monkeys® Franchised Business and methods of training, advertising and promotion distinctive types of retail facilities, interior and exterior layouts (including entry, exit and parking areas, grounds and landscaping, as applicable), trade dress, signs, equipment (including the POS System and Computer System) packaging, supplies, furnishings, fixtures, décor, Confidential Information, business techniques, methods and procedures, and sales promotion programs, all of which the Franchisor may modify, change, improve and further develop using the trade name, and trademark "Cheeky Monkeys®" ("**System**").

WHEREAS, Manager understands that the Franchisor is the owner of confidential information relating to the management and operation of the Cheeky Monkeys® Franchised Business and of methods of conducting marketing and promoting the Cheeky Monkeys® Franchised Business.

WHEREAS, Manager understands that as a part of its relationship with the Franchisee it will be provided information relating to the operation of the System including the standards, methods, procedures and specifications of the System, including the contents of the manuals, customer data, information about franchisees and the operation of its business, information about suppliers and pricing, business plans, marketing plans, advertising programs, market research, and all other information which is used in the Cheeky Monkeys® Franchised Business, which is derived from the Franchisor or other franchisees, and which has value to the Franchisor ("**Confidential Information**").

WHEREAS, Manager will receive valuable training and will be entrusted with Confidential Information relating to the Cheeky Monkeys® Franchised Business and relating to customers. In consideration of Manager's relationship with the Franchisee, Manager agrees to comply with the provisions stated below. Manager also agrees the restraints imposed by this Agreement are reasonable and necessary to protect the Cheeky Monkeys® Franchised Business, the Franchisor, franchisees, and the System.

WHEREAS, the Franchisee and Manager acknowledge and agree: (1) that the Franchisor is a third party beneficiary of the rights and obligations set for in this Agreement; (2) that the

Franchisor will suffer irreparable harm in the event of any breach or violation of this Agreement; (3) that the Franchisor shall have the right to enforce the provisions of this Agreement in the event of any breach or violation, or threatened breach or violation, of this Agreement; and (4) that the Franchisor's appropriate remedies for breach or violation, or threatened breach or violation of this Agreement, include interim, interlocutory, and final orders granting injunctive, mandatory, or other extraordinary relief, without the need for the posting of security or an undertaking in damages.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. The Franchisee will train Manager and provide her or him with special techniques and information, including Confidential Information, which the Franchisee believes will be helpful and necessary to the performance of Manager's duties.

2. Manager will not, at any time during or after his/her employment by the Franchisee, communicate or disclose to any person or entity, or use for his/her benefit or for the benefit of any other person or entity, any Confidential Information Manager acquired during its relationship with the Franchisee.

3. Upon termination of his/her relationship with the Franchisee, Manager will return all materials, documents, lists and other items containing Confidential Information, all customer information, manuals, sales and service reports, sales and service manuals and literature, price books, samples, and any the Franchisor issued tools or control concerning customers, products or services of the Franchisee and the Franchisor.

Miscellaneous

1. All provisions of this Agreement, which are to be effective following termination of Manager's relationship with the Franchisee, will be effective regardless of whether such termination was voluntary or involuntary.

2. This Agreement will not become effective or be binding upon the parties until accepted by the Franchisor. This Agreement represents the entire agreement between the parties and supersedes any previous agreements between the parties, written or oral, relating to this subject matter and may be amended or modified only by a writing signed by the parties hereto.

3. This Agreement shall be construed and interpreted under the laws of the state where the Franchisee resides, and these laws shall govern the relationship of the Franchisee, the Franchisor, and the Manager as set forth in this Agreement. Any proceeding arising out of or relating to this Agreement shall be commenced in the court of competent jurisdiction in the state where the Franchisee resides, unless the parties to the dispute agree otherwise. Notwithstanding the foregoing, any proceeding brought against the Franchisee and/or the Manager for injunctive, mandatory, or other extraordinary relief may be brought in any court of competent jurisdiction.

4. If any provisions in this Agreement are held to be invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any of the other provisions of this Agreement, it being intended that the provisions of this Agreement are severable.

5. All capitalized terms not defined herein shall have the meaning ascribed to them in the Franchise Agreement.

6. All notices shall be given in writing in the English language. Notices shall be deemed delivered immediately if delivered by hand; by confirmed receipt if delivered by e-mail; deemed delivered in three (3) days after being placed in the mail (Certified Mail/Return Receipt Requested), postage prepaid and addressed to the party to be notified at its most current Manager business address, or on the second day after being sent by an overnight courier service (e.g. FedEx, UPS, DHL), and scheduled for next day delivery, or if sent by e-mail when receipt is acknowledged in a return e-mail by the intended recipient.

7. Manager shall fully and promptly disclose to the Franchisee all ideas, concepts, products, process, methods, techniques, improvements, additions and customer data relating to the development and/or operation the Cheeky Monkeys® Franchised Business, or any new trade names, services marks, or other commercial symbols, or associated logos relating to the operation of the Cheeky Monkeys® Franchised Business, or any advertising or promotion ideas related to the Cheeky Monkeys® Franchised Business that the Manager, or the Manager's agents or employees conceive or develop during the term of this Agreement. Manager agrees that such improvements are the Franchisor's property and Manager agrees to sign all documents necessary to evidence the assignment of these improvements to the Franchisor without any additional compensation. Manager acknowledges that the Franchisor has the perpetual right to use and authorize others to use such improvements without any obligation to Manager or to the Franchisee for royalties or other fees. Manager may not introduce improvements or any other additions or modifications to the System without the Franchisor's prior written approval.

If directed to the Franchisee the notice shall be addressed to:

Attention: _____
Facsimile: _____

If directed to Manager the notice shall be addressed to:

Attention: _____
Facsimile: _____

8. The rights and remedies of the Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective Affiliates, successors, and assigns.

The respective obligations of the Franchisee and Manager hereunder may not be assigned by the Franchisee or Manager, without the prior written consent of the Franchisor.

* * *

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISEE:

By: _____
Name: _____

MANAGER:

By: _____
Name: _____

**CONFIDENTIALITY AGREEMENT AND
ANCILLARY COVENANTS NOT TO COMPETE**

(Between the Franchisor and the Franchisee's Owners)

This Agreement is made and entered into this ____ day of _____, 20____, between Cheeky Monkeys Franchise Systems, LLC (the "**Franchisor**"), _____ (the "**Franchisee**") and _____ (the "**Covenantor**").

RECITALS:

WHEREAS, Cheeky Monkeys Franchise Systems, LLC and its affiliates (the "**Franchisor**") has developed a system of standards, specifications, products and services, methods, and procedures prescribed by the Franchisor relating to the establishment, development and operation of a Cheeky Monkeys® Franchised Business ("**Cheeky Monkeys® Franchised Business**") including lesson plans, curricula, and programs used in the operation of a Cheeky Monkeys® Franchised Business and methods of training, advertising and promotion distinctive types of retail facilities, interior and exterior layouts (including entry, exit and parking areas, grounds and landscaping, as applicable), trade dress, signs, equipment (including the POS System and Computer System) packaging, supplies, furnishings, fixtures, décor, Confidential Information, business techniques, methods and procedures, and sales promotion programs, all of which the Franchisor may modify, change, improve and further develop using the trade name, and trademark "Cheeky Monkeys®" ("**System**").

WHEREAS, the Franchisor has granted the Franchisee the limited right to develop, own, and operate Cheeky Monkeys® Franchised Business using the System, the Marks and the Trade Secrets for the period defined in the Franchise Agreement made and entered into on _____ (the "**Franchise Agreement**"), by and between the Franchisor and the Franchisee; and

WHEREAS, the Franchisor and the Franchisee have agreed in the Franchise Agreement on the importance to the Franchisor and to the Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and

WHEREAS, it will be necessary for certain employees, agents, independent contractors, officers, directors and interest holders of the Franchisee, or any entity having an interest in the Franchisee (the Covenantor) to have access to and to use some of all of the Trade Secrets in the management and operation of the Cheeky Monkeys® Franchised Business using the System; and

WHEREAS, the System includes, but is not limited to, certain proprietary items; uniform standards, specifications and procedures; operations; lesson plans, curricula, and programs; quality and uniformity of products and services offered; procedures for management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved and further developed by the Franchisor from time to time and are used by the Franchisor in connection with the operation of the System ("**Trade Secrets**"); and

WHEREAS, Trade Secrets provide economic advantages to the Franchisor and are not generally known to, and are not readily ascertainable by proper means by, the Franchisor's competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, the Franchisee has agreed to obtain from the Covenantor a written agreement protecting the Trade Secrets and the System against unfair competition; and

WHEREAS, the Covenantor wishes to remain, or wishes to become associated with or employed by the Franchisee; and

WHEREAS, the Covenantor wishes and needs to receive and use the Trade Secrets in the course of his employment or association in order to effectively perform his services for the Franchisee; and

WHEREAS, the Covenantor acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by the Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

A. Confidentiality Agreement

1. The Franchisor and/or the Franchisee shall disclose to the Covenantor some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, any Manuals, drawings, studies, specifications, techniques and compilations of data which the Franchisor provides to the Franchisee and/or the Covenantor shall be deemed confidential Trade Secrets for the purposes of this Agreement.

2. The Covenantor shall receive the Trade Secrets in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his employment or association with the Franchisee and then only in connection with the development and/or operation by the Franchisee of the Cheeky Monkeys® Franchised Business for so long as the Franchisee is licensed by the Franchisor to use the System.

3. The Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without the Franchisor's express written permission.

4. The Covenantor shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of the Franchisee and only to the limited extent necessary to train or assist other employees of the Franchisee in the development or operation of a Cheeky Monkeys® Franchised Business using the System.

5. The Covenantor shall surrender any material containing some or all of the Trade Secrets to the Franchisee or the Franchisor, upon request, or upon termination of employment by the Franchisee, or upon conclusion of the use for which such information or material may have been furnished to the Covenantor.

6. The Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

7. All Manuals are loaned by the Franchisor to the Franchisee for limited purposes only and remain the property of the Franchisor and may not be reproduced, in whole or in part, without the Franchisor's written consent.

B. Covenants Not To Compete

1. During the term of the Franchise Agreement, Covenantor shall not engage directly or indirectly (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor or otherwise) in any business that offers Competitive Services.

2. For a period of twenty-four (24) months commencing on the date the Franchise Agreement expires or terminates for any reason, Covenantor will not, directly or indirectly:

(1) have any direct or indirect interest as the owner of any Competitive Business located or operating in the Non-Compete Area (as defined below);

(2) divert or attempt to divert any business or customer of Cheeky Monkeys® Franchised Businesses to any business that offers Competitive Services or otherwise take any action injurious or prejudicial to the goodwill associated with the Franchisor's trademarks and the Concept.

For purposes of this Agreement, the "Non-Compete Area" is comprised of the geographic area located within: (a) a ten (10) mile radius of the perimeter of the Franchisee's Cheeky Monkeys® Franchised Business Premises; and (b) within a ten (10) mile radius of any Cheeky Monkeys® Franchised Business then in operation. "Competitive Business" means a business that is the same as or similar to the Franchised Business in that at least 25% of its sales are derived the provision of children's entertainment services and/or related products.

If Covenantor refuses voluntarily to comply with the foregoing obligations, the twenty-four (24)-months period will be extended by the period of noncompliance. Covenantor acknowledges that Covenantor possesses skills and abilities of a general nature and has other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive Covenantor of Covenantor's personal goodwill or ability to earn a living.

C. Miscellaneous

1. The Franchisee shall make all commercially reasonable efforts to ensure that the Covenantor acts as required by this Agreement.

2. The Covenantor agrees that in the event of a breach of this Agreement, the Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, notwithstanding anything in Section B above, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, the Franchisor shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies which are

made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. The Covenantor agrees to pay all expenses (including costs and reasonable attorneys' fees) incurred by the Franchisor and the Franchisee in enforcing this Agreement.

4. Any failure by the Franchisor or the Franchisee to object to or take action with respect to any breach of any provision of this Agreement by the Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by the Covenantor.

5. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or arbitrator having valid jurisdiction in any unappealed final decision to which the Franchisor is a party, the Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement. The Franchisor may, in its sole discretion, reduce of the scope of any covenant set forth in this Agreement without the Franchisee or Covenantor's consent, effectively immediately upon receipt by Covenantor of written notice thereof. Covenantor agrees to comply forthwith with any covenant as so modified, which shall be enforceable.

6. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

7. All capitalized terms not defined herein shall have the meaning ascribed to them in the Franchise Agreement.

8. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, overnight courier service, e-mail, or facsimile to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to the Franchisor, the notice shall be addressed to:

Cheeky Monkeys Franchise Systems, LLC
Address: 535 Talbert Drive, Suite 301, Plano, TX 75093 USA
Telephone: (469) 304-1461
E-mail Address: franchise@cheekymonkeys.us

With a copy to:

Attention: _____

If directed to the Franchisee, the notice shall be addressed to:

Attention: _____

If directed to the Covenantor, the notice shall be addressed to:

Attention: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices sent by overnight courier service shall be deemed given three (3) business days after the time of sending. Any notices sent by e-mail or facsimile shall be deemed given upon sending, provided that the Covenantor acknowledges receipt. Any change in the foregoing addresses shall be effected by giving fifteen (15) days' written notice of such change to the other parties.

9. The rights and remedies of the Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective successors and assigns. The respective obligations of the Franchisee and the Covenantor hereunder may not be assigned by the Franchisee or the Covenantor without the prior written consent of the Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:
Cheeky Monkeys Franchise Systems, LLC

ATTEST:

By: _____
Name: _____
Title: _____

Witness

FRANCHISEE:

By: _____

Name: _____

Title: _____

Witness

COVENANTOR:

By: _____

Name: _____

Witness

SCHEDULE C
ASSIGNMENT OF TELEPHONE NUMBER(S)

This Assignment relates to:

Name of the Franchisee: _____

Address of Franchised Business: _____

Telephone Number(s) and other identifiers: Telephone numbers (____) _____;
(____) (____) _____; IP addresses _____;
VOIP identifier _____; usernames _____

Telephone Company: _____

For valuable consideration, the Franchisee identified above (the “**Franchisee**”) assigns and Transfers to Cheeky Monkeys Franchise Systems, LLC (the “**Franchisor**”) all of the Franchisee’s rights and interests in each and all of the telephone numbers listed above (the “**Numbers**”).

The Franchisee authorizes the Franchisor to file this Assignment with the telephone company that issued the Numbers for the purposes of establishing the Franchisor’s claim to and right to designate the user of the Numbers.

The Franchisee irrevocably constitutes and appoints the Franchisor as the Franchisee’s agent and lawyer-in-fact for the purposes of (i) signing and delivering any Transfer of Service Agreement or comparable document the telephone company requires to Transfer the rights in the Numbers from the Franchisee to the Franchisor or its designee, and (ii) canceling and revoking any call-forwarding or similar instructions the Franchisee has issued to the telephone company with respect to any of the Numbers, with full power to sign the Franchisee’s name and otherwise to act in the Franchisee’s name, place and stead.

The Franchisee agrees to reimburse the Franchisor the full amount of any local service and long distance charges the telephone company requires that the Franchisor pays to obtain the Numbers, together with interest as provided in the parties’ Franchise Agreement.

The Franchisee represents and warrants to the Franchisor that the Franchisee obtained the Numbers in his, her or its own name, and that the Franchisee is the person of record the telephone company shall recognize as registered user or “owner” of the Numbers.

THE FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE D
LEASE RIDER

This Lease Rider is executed as of this _____ day of _____, 20____, by and between _____ (the “**Franchisee**”) and _____ (“**Landlord**”) as a Rider to the lease (as amended, renewed, and/or extended from time to time) (“**the Lease**”) for the Premises located at _____ (the “**Premises**”), State of _____ (the “**Location**”) dated as of _____.

WHEREAS, the Franchisee has executed or intends to execute a franchise agreement (the “**Franchise Agreement**”) with Cheeky Monkeys Franchise Systems, LLC (the “**Franchisor**”), for the operation of a Cheeky Monkeys® Franchised Business (the “**Franchised Business**”) at the Location, and as a requirement thereof, the Lease for the Location must include the provisions contained in this Rider; and

WHEREAS, Landlord and the Franchisee agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease.

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and the Franchisee hereby agree as follows:

1. The Location only may be used for the operation of the Franchisee’s Franchised Business.
2. Landlord shall deliver to the Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to the Franchisee, but no later than thirty (30) days before a termination of the Lease would become effective.
3. The Franchisor shall have the right, but not the obligation, upon giving written notice of its election to the Franchisee and Landlord, to enter the Premises to cure any breach of the Lease, and if so stated in the notice, to also succeed to the Franchisee’s rights, title, and interests thereunder.
4. Notwithstanding anything to the contrary contained in the Lease, the Franchisee shall have the absolute right to sublet, assign or otherwise transfer its interest in the Lease to the Franchisor or its Affiliate, or to a company with which the Franchisee or the Franchisor may merge or consolidate, without Landlord’s approval, written or otherwise, without any increase in rent, without a material change in any other terms of the Lease, and without execution of a guarantee of the Franchisor’s obligations (if any) under the assigned Lease.
5. The Franchisee shall, if requested by the Franchisor, assign to the Franchisor, and Landlord hereby irrevocably and unconditionally consents to such assignment, all of the Franchisee’s rights, title, and interest to and under the Lease upon any termination, or if no subsequent Franchise Agreement is executed, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without execution of a Subsequent Franchise Agreement; and (b) the Franchisor notifies the Franchisee and Landlord in writing that the Franchisor assumes the Franchisee’s obligations under the Lease.

6. The Lease may not be modified, amended, renewed or extended in any manner or assigned by the Franchisee without the Franchisor's prior written consent. The Premises may not be altered or modified in any way without the Franchisor's prior written consent. Moreover, without the Franchisor's prior written consent, the Location may not be sublet, subdivided or used for any purpose other than for the operation of the Franchised Business.
7. The Franchisee and Landlord acknowledge and agree that the Franchisor shall have no liability or obligation whatsoever under the Lease unless and until the Franchisor assumes the Lease in writing pursuant to Paragraphs 3, 4 or 5 above. The Franchisor shall assume all of the Franchisee's obligations under the Lease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.
8. If the Franchisor assumes the Lease, as above provided, the Franchisor may further assign the Lease to another person or entity to operate a Cheeky Monkeys® Franchised Business at the Location, subject to Landlord's consent which consent shall not be unreasonably withheld or delayed. No such consent shall be required if the Lease is assigned or sublet to another Cheeky Monkeys® Franchisee. Landlord agrees to execute such further documentation to confirm its consent to the assignments permitted under this Rider as the Franchisor may request.
9. If the Franchise Agreement expires or is terminated, Landlord shall exercise its right to terminate the Lease and/or to exercise its other remedies under the Lease, unless the Lease is assumed by the Franchisor or its designee within thirty (30) days of the termination or expiration of the Franchise Agreement.
10. If the Lease expires or is terminated for any reason, the Franchisor may enter the Premises and remove any signs or other articles bearing any trade names, logos, trade-marks that are part of the System and de-identify the leased Premises as a Cheeky Monkeys® Franchised Business (including removing any Cheeky Monkeys® trade dress features and/or fixtures), without legal process and without being guilty of trespass.
11. Landlord and the Franchisor may rely upon any notice from either of them regarding the status of the Lease or of the Franchise Agreement; they shall have no duty to perform any independent investigation to verify the Franchisee's rights under the Lease or the Franchise Agreement; and, the Franchisee agrees to indemnify and hold the Franchisor harmless from any and all claims arising out of the Lease and the reliance upon the Franchisor's or Landlord's representations regarding the Franchisee's status, the status of the Franchisor or the status of the Franchise Agreement.
12. Landlord shall make available to the Franchisor all information which it collects or produces related to sales of the Franchised Business and the way in which the Franchised Business is operated. The Franchisee consents to Landlord providing all such information to the Franchisor.

13. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to the Franchisor at _____, Attn: President or such other address as the Franchisor shall specify by written notice to Landlord.
14. Under the Franchise Agreement, any lease or any modification or renewal of the Lease for the Location of the Franchised Business is subject to the Franchisor's approval. Accordingly, the Lease is contingent upon such approval.

LANDLORD:

THE FRANCHISOR:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

THE FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE E
SECURITY AGREEMENT

This security agreement (hereinafter “**Security Agreement**”) is made as of _____, between “**Debtor**”), and Cheeky Monkeys Franchise Systems, LLC (“**Secured Party**”).

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby grants to Secured Party a security interest in present and after acquired personal property of the Debtor including in all accounts; accounts receivable; contract rights; leases; furniture; furnishings; equipment (including motor vehicles); fixtures; machinery; accessories; movable trade fixtures; goods held for sale or being processed for sale in Debtor’s business, including all supplies, finished goods and all other items customarily classified as inventory; building improvement and construction materials; chattel paper; instruments; documents; letters of credit; all funds on deposit with any financial institution; commissions; and including the proceeds and products therefrom and any and all substitutions, replacements, additions and accessions thereto and any rebate/award program (or similar incentive programs) to which Debtor may be entitled pursuant to any franchise agreement entered into with Secured Party, together with all such rights and property hereafter acquired by Debtor; and all general intangibles (collectively, the “**Collateral**”) as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto) as security for (i) the prompt payment of any promissory notes executed by Debtor in favor of Secured Party, and any renewals, compromises, extensions, modifications, accelerations or other changes in the time for performance or other terms thereof (the “**Notes**”), and (ii) performance under any franchise agreements between Debtor and Secured Party, as the same may be amended (the “**Franchise Agreements**”), and (iii) all other agreements between Debtor and Secured Party. The Collateral shall not include consumer goods. The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the security interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

SECTION 1 -- DEBTOR’S OBLIGATIONS. Debtor agrees to the following:

- (a) Debtor will properly maintain and care for the Collateral and will not remove the Collateral from the Premises (as defined in the Franchise Agreement).
- (b) Debtor will notify Secured Party in writing prior to any change in Debtor’s place of business;
- (c) Debtor has not executed and will not execute as debtor thereunder any security agreement or financing statement covering any of the Collateral except with Secured Party, nor will Debtor charge, pledge or encumber the Collateral, or allow any lien to be placed against the Collateral, whether voluntary or involuntary;
- (d) Debtor represents and warrants to Secured Party that the Collateral shall not become collateral for any other obligations previously incurred, nor collateral under any other security agreement(s) previously executed by Debtor; and

(e) Debtor will not sell, contract for sale or otherwise dispose of any of the Collateral except in the ordinary course of business.

SECTION 2 -- DEFAULTS. Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events or conditions (an “**Event of Default**”):

(a) the failure by Debtor to pay any amount when due under the terms and provisions of the Notes (after applicable grace periods, if any); or

(b) debtor’s breach of any term, provision, warranty or representation set forth herein or in the Franchise Agreements, or in any other agreement between Debtor and Secured Party; or

(c) the making of any levy on, or seizure or attachment of, any of the Collateral, if such levy, seizure or attachment is not set aside within fifteen (15) days thereafter; or

(d) the dissolution, termination of existence or insolvency of Debtor; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor; or

(e) any guarantor, surety or endorser for Debtor defaulting in any obligation or material liability to Secured Party, if such default is not cured within five (5) days thereafter.

SECTION 3 -- REMEDIES AFTER DEFAULT.

(a) In the event of the occurrence of an Event of Default, Secured Party, in addition to all other rights and remedies given Secured Party under any and all agreements by and among Secured Party, Debtor and/or Debtor’s guarantors, or otherwise by law, may do one or more of the following, without notice to or demand upon Debtor:

1) declare all obligations secured hereby immediately due and payable;

2) enforce the security interest given hereunder and otherwise exercise the rights of a secured creditor provided under the laws of the province in which the Franchised Business is located;

3) require Debtor to assemble the Collateral and make it available to Secured Party; and/or

4) subject to applicable law, enter any office of Debtor and take possession of the Collateral and of the records pertaining to the Collateral.

(b) Secured Party may apply the proceeds of any disposition of Collateral available for satisfaction of Debtor’s indebtedness, which shall include the reasonable expenses of such sale, in any order of preference which Secured Party, in its sole discretion, chooses. Debtor shall remain liable for any deficiency.

SECTION 4 -- INSURANCE PROCEEDS. So long as no default exists hereunder, the proceeds of fire and casualty insurance covering the Collateral may be utilized by Debtor for the repair and restoration of Debtor's facilities, subject to such procedures as Secured Party may reasonably require to assure the application of any such insurance proceeds for such purpose and completion of such repair and restoration.

SECTION 5 -- DUTIES OF SECURED PARTY. Secured Party's duties or responsibilities with reference to the Collateral shall be limited solely to the duties and responsibilities set forth in this Security Agreement and Secured Party shall not be responsible in any way for the condition, depreciation or maintenance of the Collateral other than as set forth herein. Debtor shall pay when due all taxes, charges, liens and assessments against the Collateral.

SECTION 6 -- MISCELLANEOUS.

(a) Performance of Debtor's Obligations. Simultaneously with the payment in full of all of Debtor's obligations under the Notes and performance of all outstanding obligations under the Franchise Agreements, all liens, encumbrances and security interests created by this Security Agreement shall be null and void.

(b) Waiver. Any waiver, express or implied, of any provision of this Security Agreement and any delay or failure by Secured Party to enforce any provision of this Security Agreement shall not preclude Secured Party from enforcing any such provision thereafter.

(c) Governing Law. This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the state in which the Debtor's Franchised Business is located.

(d) Remedies. All rights and remedies provided herein are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

(e) Financing Statement. Concurrently herewith, Secured Parties shall file a financing statement and financing change statements as necessary in the personal property security registrar of the province in which the Franchised Business's Location is located as may be necessary to preserve, protect and perfect the security interest created hereby. Debtor waives any statutory requirement for notice of registration of any financing statement or financing change statement. Debtor will execute such other documents as Secured Party may reasonably require to perfect its security interest in the Collateral.

(f) Notices. In the event either party desires to give notice to the other with regards to this Security Agreement, such notice shall be in writing and may be hand delivered, express mailed, or sent by certified or registered mail. Notices mailed as provided herein shall be deemed to be given two (2) days after they are sent. Such notices shall be sent to the address provided for such party in the Franchise Agreement, unless a party gives notice of a change of its respective address.

(g) Attorneys' Fees. In the event either party commences litigation against the other with respect to this Security Agreement, or its interpretation or enforcement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs.

(h) Successors in Interest. This Security Agreement shall inure to the benefit of, and be binding upon, the successors in interest of the parties hereto and their permitted assignees.

(i) Amendments. This Security Agreement may only be amended by a writing executed by both of the parties hereto.

(j) Entire Agreement. The foregoing constitutes the entire agreement between the parties, all representations or understandings, whether oral or written, having been incorporated herein or otherwise superseded hereby.

(k) Facsimiles. Facsimile or electronic copies of this Security Agreement shall be deemed to have the same force and effect as the original and, as such, shall be fully binding on all parties.

THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE DEBTOR REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement effective as of the date first written above.

DEBTOR

By: _____
Name:
Title: **Authorized Person**

SECURED PARTY

By: _____
Name:
Title: **Authorized Person**

EXHIBIT B
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I

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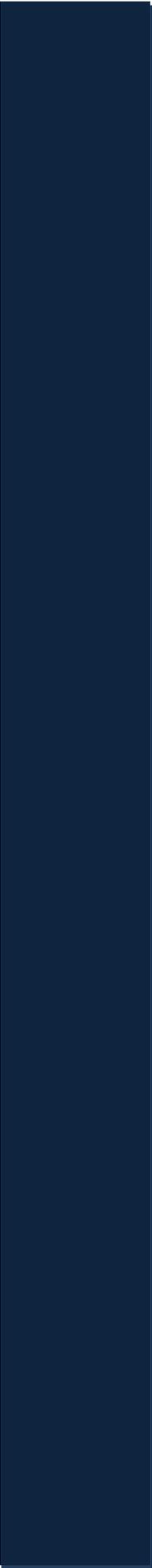
EXHIBIT C
LIST OF STATE ADMINISTRATORS

<p>CALIFORNIA Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll free: (866) 275-2677</p>	<p>NEW YORK Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21st Floor New York, New York 10005 212-416-8236 (212) 416-6042 Fax</p>
<p>HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue, State Capitol Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p>ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>RHODE ISLAND Director, Department of Business Regulation, Securities Division John O. Pastore Complex–Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9585</p>
<p>INDIANA Indiana Securities Commissioner Securities Division 302 West Washington Street, Room E111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p>SOUTH DAKOTA Department of Labor and Regulation Division of Insurance – Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>
<p>MARYLAND Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>VIRGINIA Division of Securities and Retail Franchising State Corporation Commission 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p>
<p>MICHIGAN Michigan Department of Attorney General Consumer Protection Division G. Mennen Williams Building, 1st Floor 525 West Ottawa Street, Suite 280 Lansing, Michigan 48933 (517) 373-7117</p>	<p>WASHINGTON Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760</p>
<p>MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 296-4026</p>	<p>WISCONSIN Commissioner of Securities Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 261-9555</p>

EXHIBIT D
AGENTS FOR SERVICE OF PROCESS

<p>CALIFORNIA Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll free: (866) 275-2677</p>	<p>NEW YORK New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492</p>
<p>HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue, State Capitol Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p>ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>RHODE ISLAND Director, Department of Business Regulation, Securities Division John O. Pastore Complex–Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9585</p>
<p>INDIANA Indiana Secretary of State 302 West Washington Street, Room E018 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p>SOUTH DAKOTA Department of Labor and Regulation Division of Insurance – Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>
<p>MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>VIRGINIA Division of Securities and Retail Franchising State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9051</p>
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<p>MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 296-4026</p>	<p>WISCONSIN Commissioner of Securities Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 261-9555</p>

EXHIBIT E
FINANCIAL STATEMENTS



CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

HRSS CPAs

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INDEPENDENT AUDITORS' REPORT

To the Member of,
Cheeky Monkeys Franchise Systems LLC

Opinion

We have audited the accompanying financial statements of Cheeky Monkeys Franchise Systems LLC dba Cheeky Monkeys (the "Company") which comprise the balance sheets as of December 31, 2024, and 2023, and the related statements of operations, changes in member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits 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.

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, 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.



Houston, Texas
April 24, 2025

CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

Balance Sheets

	December 31,	
	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,981	\$ 24,567
Accounts receivable	18,865	18,961
Due from related parties	29,117	19,433
Total current assets	53,963	62,961
Non-current assets		
Intangible assets, net	944,445	957,778
Total non-current assets	944,445	957,778
Total assets	\$ 998,408	\$ 1,020,739
LIABILITIES AND MEMBER'S (DEFICIT)		
Current liabilities		
Accounts payable	\$ 553	\$ 2,352
Accrued liabilities	10,000	10,000
Due to related parties	348,792	179,451
Unearned revenue - current	29,500	14,000
Notes payable - related party	702,623	994,383
Total current liabilities	1,091,468	1,200,186
Non-current liabilities		
Unearned revenue - non current	229,417	112,292
Total non-current liabilities	229,417	112,292
Total liabilities	1,320,885	1,312,478
Member's (deficit)	(322,477)	(291,739)
Total liabilities and member's deficit	\$ 998,408	\$ 1,020,739

See independent auditors' report and accompanying notes to financial statements

CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

Statements of Operations

	Year Ended December 31,	
	2024	2023
Revenue		
Royalty income	\$ 189,954	\$ 81,561
Franchise fees	22,375	8,750
Total revenue	<u>212,329</u>	<u>90,311</u>
Operating expenses		
General and administrative expenses	243,067	207,218
Total operating expenses	<u>243,067</u>	<u>207,218</u>
Net loss	<u>\$ (30,738)</u>	<u>\$ (116,907)</u>

See independent auditors' report and accompanying notes to financial statements

CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

Statements of Changes in Member's (Deficit)

For the Years Ended December 31, 2024, and 2023

Balance, December 31, 2022	\$	(145,943)
Prior period adjustment		(28,889)
Adjusted balance, December 31, 2022		<u>(174,832)</u>
Net loss		(116,907)
Balance, December 31, 2023		<u>(291,739)</u>
Net loss		(30,738)
Balance, December 31, 2024	\$	<u><u>(322,477)</u></u>

See independent auditors' report and accompanying notes to financial statements

CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
Cash flows from operating activities		
Net loss	\$ (30,738)	\$ (116,907)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization Expense	13,333	13,333
Changes in operating assets and liabilities		
Accounts receivable	96	(6,679)
Accounts payable	(1,799)	2,182
Due from (to) related parties	159,657	(16,799)
Accrued liabilities	-	2,263
Unearned revenue	132,625	96,250
Net cash provided by (used in) operating activities	273,174	(26,357)
Cash flows from financing activities		
Repayments of related party notes payable	(291,760)	(5,618)
Net cash (used in) financing activities	(291,760)	(5,618)
Net decrease in cash and cash equivalents	(18,586)	(31,975)
Cash and cash equivalents at beginning of year	24,567	56,542
Cash and cash equivalents at end of year	\$ 5,981	\$ 24,567

See independent auditors' report and accompanying notes to financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Cheeky Monkeys Franchise Systems LLC (Company) was formed on January 30, 2020, as a Texas limited liability Company. The Company is a fully owned subsidiary of Playtime Hospitality, LLC, a Texas corporation, and offers franchises for the development and operation of children’s “Edutainment” play centers that operates under the name of “Cheeky Monkeys.” The Company offers venues for “pay-per-use” play and birthday party celebrations or other special events. The Company provides management training, advisory assistance, and marketing to franchisees in accordance with the franchise agreement. The Company is located in Dallas, Texas.

Method of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Financial Accounting Standards Board (“FASB”) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (“ASC”) and related Accounting Standards Updates (“ASUs”).

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Any effects on the Company’s business, financial position resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Income Taxes

For federal income tax purposes, the Company is classified as an “S” corporation. Federal income taxes are not provided for or payable by the Subchapter “S” company. Shareholders of an “S” corporation are taxed individually on their share of Company’s earnings.

The Company follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1. The Company recognized no liability for unrecognized tax benefits as management believes that all tax positions taken are certain. The Company has no tax position for the years ended December 31, 2024, and 2023, for which ultimate deductibility is highly certain, but for which there is uncertainty about the timing of such deductibility. Currently, the Company is not under income tax examination by any federal, state, or local tax authorities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain reclassifications have been made to the 2023 financial statements to conform to the 2024 presentation. These reclassifications had no effect on the 2023 total assets, liabilities, and member's deficit or net loss.

Revenue Recognition

The Company's revenues consist of sales from initial franchise fees and non-refundable royalties. Initial franchise fees are recognized evenly over the franchise term of ten years. Non-refundable royalty revenues are based on a percentage of franchisee gross sales and are recognized at the time the underlying sales occur.

Advertising

Advertising costs are included in general and administrative expenses in the accompanying financial statements and are expensed as incurred. No advertising expenses were incurred for the year ended December 31, 2024. Advertising expenses for the year ended December 31, 2023, were \$3,595.

General and Administrative Expenses

General and administrative expenses represent expenses incurred to manage the business and primarily include payroll, rent, and professional fees. General and administrative costs are charged to expense as incurred.

Cash and cash Equivalents

The Company maintains its cash in bank accounts that at times exceed federally insured limits of \$250,000. These cash balances are principally uninsured and are subject to normal credit risk. The Company mitigates its exposure to credit risk by depositing funds with high quality financial institutions. To date, the Company has not experienced losses in these accounts and believes that it is not exposed to significant credit risk on its cash deposits. The Company considers all highly liquid investments with maturities of three months or less from the date of purchase to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash primarily in financial institutions that it considers to be of high quality. At times, certain balances in these financial institutions are in excess of federally insured limits. The possibility of loss exists if a financial institution holding excess cash deposits fails.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk (continued)

During 2024, total royalty income from the top three customers accounted for 35%, 25% and 22%, respectively. In 2023, total royalty income from the top two customers accounted for 95% and 5%, respectively. The Company only had two royalty income customers in 2023. The loss of any of these significant customers could have a material adverse effect on the operations of the Company.

Accounts Receivable

Accounts receivable represents amounts due from franchise royalty. The Company monitors the financial condition of its franchisees and records provisions for estimated losses on receivables when it believes franchisees are unable to make their required payments. Past due receivable balances are written off when the Company's internal collection efforts have been unsuccessful in collecting the amount due. While the Company uses the best information available in making these determinations, the ultimate recovery of recorded receivables is also dependent upon future economic events and other conditions that may be beyond its control. There was no bad debt expense for the years ended December 31, 2024, and 2023. Accounts receivable for the years ended December 31, 2024, and 2023, were \$18,865 and \$18,961, respectively.

Intangible Assets

Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually or more frequently if events or circumstances indicate that a goodwill impairment test should be performed. Intangible assets with determinable lives are amortized to expense over their respective estimated useful lives and be tested for impairment in accordance with ASC 360, "Accounting for impairment or Disposal of Long-Lived Assets."

In November 2020, the Company signed a franchising rights licensing agreement with Playtime Hospitality, LLC, a related party, for a purchase price of \$1,000,000 for a period of 75 years. The agreement provides the Company an exclusive license to further develop, market and franchise the Cheeky Monkeys brand in the United States, Canada, and Mexico. The Company periodically evaluates the license for impairment when indicators suggest that the carrying amount may not be recoverable. At December 31, 2024, and 2023, management evaluated its intangible asset for impairment and believes that the license is fully realizable.

Cheeky Monkeys Franchise Systems LLC
Notes to Financial Statements
Years Ended December 31, 2024 and 2023

NOTE 2 – DUE FROM (TO) RELATED PARTIES

Due from (to) related parties consist of the following:

	December 31,	
	2024	2023
Edutainment 4 Management Services, LLC	\$ 21,491	\$ -
Edutainment 3 Management Services, LLC	7,558	-
Edutainment 5 Management Services, LLC	68	-
CM Castle Hill Edutainment 4 Hospitality, LLC	-	19,433
Paytime Hospitality LLC	-	(115,260)
CM Fairview Edutainment 1	-	(61,660)
Due to member	(2,531)	(2,531)
Edutainment 1 Management Services, LLC	(61,602)	-
Edutainment 2 Management Services, LLC	(284,659)	-
	<u>\$ (319,675)</u>	<u>\$ (160,018)</u>

NOTE 3 – INTANGIBLE ASSETS

Intangible assets consist of the following:

	December 31,	
	2024	2023
Franchise rights	\$ 1,000,000	\$ 1,000,000
Less: accumulated amortization	(55,555)	(42,222)
Intangible assets, net	<u>\$ 944,445</u>	<u>\$ 957,778</u>

Amortization expense for the years ended December 31, 2024, and 2023, were \$13,333 and \$13,333, respectively.

NOTE 4 – ACCRUED LIABILITES

Accrued liabilities relate to professional fees. As of December 31, 2024, and 2023, accrued liabilities equaled \$10,000 and \$10,000, respectively.

NOTE 5 – UNEARNED REVENUE

Unearned revenue consists of initial franchise fees which the Company will recognize over the term of the franchise term of ten years. As of December 31, 2024, unearned revenue consists of the following:

	December 31,	
	2024	2023
Franchise fees	\$ 258,917	\$ 126,292
Less: current portion	<u>(29,500)</u>	<u>(14,000)</u>
Unearned revenue - non current	<u>\$ 229,417</u>	<u>\$ 112,292</u>

NOTE 6 – NOTES PAYABLE - RELATED PARTY

As noted in Note 1, the Company signed a franchising rights licensing agreement with Playtime Hospitality LLC, a related party, and agreed to pay the fees of \$1,000,000 upon demand or on the 10th anniversary of the franchise agreement. Notes payable for the years ended December 31, 2024, and 2023 were \$702,623 and \$994,383 respectively.

NOTE 7 – FRANCHISE INFORMATION

Franchises consist of the following:

	December,31	
	2024	2023
Franchises licensed - Beginning of year	4	1
Franchises opened during the year	4	3
Franchises closed during the year	-	-
Franchises licensed - End of year	8	4

The Company’s parent Company, Playtime Hospitality, LLC, also operates five company owned outlets in Texas.

NOTE 8 – MARKETING FUND

Under the terms of the franchise agreement, the Company plans to collect up to 3% of gross sales from franchisees to be used for various forms of marketing. The Company will administer and direct the development of all marketing and promotion programs in the marketing funds for which it collects marketing fees, in accordance with the provisions of the franchise agreement. As of December 31, 2024, and 2023, the Company had not established a marketing fund.

NOTE 9 – ADVERTISING COOPERATIVES

Under the terms of the franchise agreement, franchisees must contribute up to 2% of gross sales to regional cooperative (“Coop”) for local advertising. As of December 31, 2024, and 2023, the Company had not formed any regional Coops and did not require franchisees to contribute any amounts to a Coop.

NOTE 10 – RELATED PARTY TRANSACTIONS

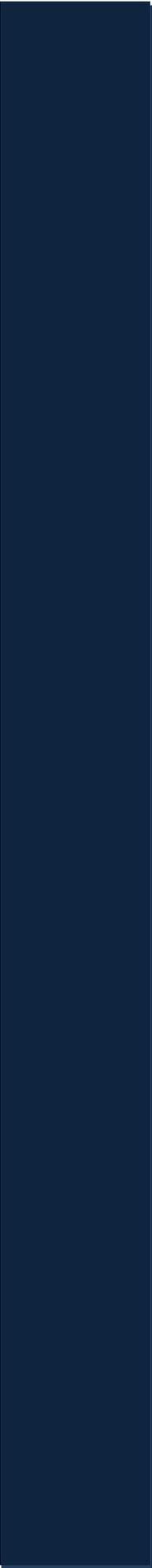
Starting in January 2023, the Company is billed monthly for its use of corporate facility by the parent company, Playtime Hospitality LLC. The total rent expense for the years ended December 31, 2024, and 2023, was \$26,650 and \$27,312, respectively.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

There was no prior period adjustment in 2024. In 2023, a prior period adjustment of \$28,889 was made to account for amortization expense related to franchising rights licensing agreement.

NOTE 12 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events and transactions through April 24, 2025, which is the date these financial statements were available for issuance. There were no subsequent events requiring recognition or disclosure in its financial statements as of and for the year ended December 31, 2024.



CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

HRSS CPAs

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INDEPENDENT AUDITORS' REPORT

To the Member of,
Cheeky Monkeys Franchise Systems LLC

Opinion

We have audited the accompanying financial statements of Cheeky Monkeys Franchise Systems LLC dba Cheeky Monkeys (the "Company") which comprise the balance sheets as of December 31, 2023, and 2022, and the related statements of operations, changes in member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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.

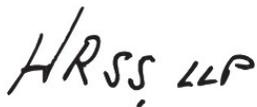
Auditors' Responsibilities for the Audit of the Financial Statements

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, 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.



Houston, Texas
April 9, 2024

CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

Balance Sheets

	December 31,	
	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 24,567	\$ 56,542
Accounts receivable	18,961	12,282
Due from related party	19,433	-
Total current assets	62,961	68,824
Non-current assets		
Intangible assets, net	957,778	1,000,000
Total non-current assets	957,778	1,000,000
Total assets	\$ 1,020,739	\$ 1,068,824
LIABILITIES AND MEMBER'S (DEFICIT)		
Current liabilities		
Accounts payable	\$ 2,352	\$ 170
Accrued liabilities	10,000	7,737
Due to related parties	179,451	176,817
Unearned revenue - current	14,000	3,500
Notes payable - related party	994,383	1,000,000
Total current liabilities	1,200,186	1,188,224
Non-current liabilities		
Unearned revenue - non current	112,292	26,542
Total non-current liabilities	112,292	26,542
Total liabilities	1,312,478	1,214,766
Member's (deficit)	(291,739)	(145,942)
Total liabilities and member's deficit	\$ 1,020,739	\$ 1,068,824

See independent auditors' report and accompanying notes to financial statements

CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

Statements of Operations

	Year Ended December 31,	
	2023	2022
Revenue		
Royalty income	\$ 81,561	\$ 50,565
Franchise fees	8,750	4,958
Total revenue	90,311	55,523
Operating expenses		
General and administrative expenses	207,218	50,702
Total operating expenses	207,218	50,702
Net income (loss)	\$ (116,907)	\$ 4,821

See independent auditors' report and accompanying notes to financial statements

CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

Statements of Changes in Member's (Deficit)

For the Years Ended December 31, 2023, and 2022

Balance, December 31, 2021	\$	(150,764)
Net income		4,821
Balance, December 31, 2022		<u>(145,943)</u>
Prior period adjustment		(28,889)
Adjusted balance, December 31, 2022		<u>(174,832)</u>
Net loss		(116,907)
Balance, December 31, 2023	\$	<u><u>(291,739)</u></u>

See independent auditors' report and accompanying notes to financial statements

CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
Cash flows from operating activities		
Net income (loss)	\$ (116,907)	\$ 4,821
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization Expense	13,333	-
Changes in operating assets and liabilities		
Accounts receivable	(6,679)	(12,282)
Accounts payable	2,182	162
Due from (to) related parties	(16,799)	41,114
Accrued liabilities	2,263	2,737
Unearned revenue	96,250	(4,958)
Net cash provided by (used in) operating activities	(26,357)	31,594
Cash flows from financing activities		
Repayments of related party loan payable	(5,618)	-
Net cash (used in) financing activities	(5,618)	-
Net increase (decrease) in cash and cash equivalents	(31,975)	31,594
Cash and cash equivalents at beginning of year	56,542	24,948
Cash and cash equivalents at end of year	\$ 24,567	\$ 56,542

See independent auditors' report and accompanying notes to financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Cheeky Monkeys Franchise Systems, LLP (Company), was formed on January 30, 2020, as a Texas limited liability Company. The Company is a fully owned subsidiary of Playtime Hospitality, LLC, a Texas corporation, and offers franchises for the development and operation of children’s “Edutainment” play centers that operates under the name of “Cheeky Monkeys.” The Company offers venues for “pay-per-use” play and birthday party celebrations or other special events. The Company provides management training, advisory assistance, and marketing to franchisees in accordance with the franchise agreement. The Company is located in Dallas, Texas.

Basis of Accounting

The Company’s accounting period ends December 31. The accompanying financial statements of the Company has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Accounting Standards Codification (“ASC”) as produced by the Financial Accounting Standards Board (“FASB”) is the sole source of authoritative U.S. GAAP.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States, require management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Any effects on the Company’s business, financial position resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Recent Accounting Pronouncements

ASU 2016-02, Leases - In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires the identification of arrangements that should be accounted for as leases by lessees. In general, for operating or financing lease arrangements exceeding a twelve-month term, a right-of-use asset and a lease obligation will be recognized on the balance sheet of the lessee while the income statement will reflect lease expense for operating leases and amortization/interest expenses for financing leases. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. The Company adopted this standard effective January 1, 2022. The adoption of this guidance did not have any impact on the financial statements of the Company as of December 31, 2023, and 2022.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (continued)

ASU 2019-12, *Income Taxes* - In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (ASU 2019-12), which is intended to simplify various areas related to the accounting for income taxes and improve consistent application of Topic 740. ASU 2019-12 is effective for annual reporting periods beginning after December 2021, and earlier adoption is permitted. The Company adopted this standard effective January 1, 2022. The adoption of this guidance did not have any impact on the financial statements of the Company as of December 31, 2023, and 2022.

Income Taxes

For federal income tax purposes, the Company is classified as an “S” corporation. Federal income taxes are not provided for or payable by the Subchapter “S” company. Shareholders of an “S” corporation are taxed individually on their share of Company’s earnings.

The Company follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1. The Company recognized no liability for unrecognized tax benefit as management believes that all tax positions taken are certain. The Company has no tax position for the year ended December 31, 2023, and 2022, for which ultimate deductibility is highly certain, but for which there is uncertainty about the timing of such deductibility. Currently, the Company is not under income tax examination by any federal, state, or local tax authorities.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 presentation. These reclassifications had no effect on the 2021 total assets, liabilities, and member’s deficit or net loss.

Revenue Recognition

The Company’s revenues consist of sales from initial franchise fees and non-refundable royalties. Initial franchise fees are recognized evenly over the franchise term of ten years. Nonrefundable royalty revenues are based on a percentage of franchisee gross sales and are recognized at the time the underlying sales occur.

Advertising

Advertising costs are included in selling, general and administrative expenses in the accompanying financial statements and are expensed as incurred. Advertising expenses for the year ended December 31, 2023, were \$3,595. There was no advertising expense in 2022.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General and Administrative Expenses

General and administrative expenses represent expenses incurred to manage the business and primarily include payroll, rent, and professional fees. General and administrative costs are charged to expense as incurred.

Cash and cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less, to be cash and cash equivalents.

Concentration of Credit Risk

The Company maintains a cash and cash equivalent account with a local bank. The amount on deposit with this bank may exceed the federally insured limit of \$250,000 from time to time. The Company has not incurred losses related to this balance to date. The Company is subject to credit risk through its accounts receivable consisting primarily of amounts due from franchisees for initial franchise fees and royalties. The financial condition of these franchisees is largely dependent upon the underlying business trends of our brand and market conditions within the industry.

Accounts Receivable

Accounts receivable represents amounts due in franchise royalty. The Company monitors the financial condition of its franchisees and records provisions for estimated losses on receivables from franchise royalty when it believes that franchisees are unable to make their required payments. Past due receivable balances are written off when the Company internal collection efforts have been unsuccessful in collecting the amount due. While the Company uses the best information available in making these determinations, the ultimate recovery of recorded receivables is also dependent upon future economic events and other conditions that may be beyond its control. There was no bad debt expense for the years ended December 31, 2023, and 2022. Account receivable for the years ended December 31, 2023, and 2022, were \$18,961 and \$12,282 respectively.

Intangible Assets

Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually or more frequently if events or circumstances exists that indicate that a goodwill impairment test should be performed. Intangible assets with determinable lives are amortized to expense over their respective estimated useful lives and be tested for impairment in accordance with ASC 360, "Accounting for impairment or Disposal of Long-Lived Assets."

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible Assets (continued)

In November 2020, the Company signed a franchising rights licensing agreement with Playtime Hospitality, LLC, a related party, for a purchase price of \$1,000,000 for a period of 75 years. The agreement provides the Company an exclusive license to further develop, market and franchise the Cheeky Monkeys brand in the United States, Canada, and Mexico. The Company periodically evaluates the license for impairment when indicators suggest that the carrying amount may not be recoverable. At December 31, 2023, and 2022, management evaluated its intangible asset for impairment and believes that the license is fully realizable.

NOTE 2 – DUE FROM (TO) RELATED PARTIES

Due from (to) related parties consist of the following:

	December 31,	
	2023	2022
CM Castle Hill Edutainment 4 Hospitality, LLC	\$ 19,433	\$ -
Paytime Hospitality LLC	(115,260)	(112,626)
CM Fairview Edutainment 1	(61,660)	(61,660)
Due to member	(2,531)	(2,531)
	<u>\$ (160,018)</u>	<u>\$ (176,817)</u>

NOTE 3 – INTANGIBLE ASSETS

Intangible assets consist of the following:

	December 31,	
	2023	2022
Franchise rights	\$ 1,000,000	\$ 1,000,000
Less: accumulated amortization	(42,222)	-
Intangible assets, net	<u>\$ 957,778</u>	<u>\$ 1,000,000</u>

NOTE 3 – INTANGIBLE ASSETS (continued)

Amortization expense for the year ended December 31, 2023, was \$13,333. Amortization expense for the year ended December 31, 2022, in the amount of \$28,889, was reported as a prior period adjustment.

NOTE 4 – ACCRUED LIABILITIES

Accrued liabilities relate to professional fees. As of December 31, 2023, and 2022, accrued liabilities equaled \$10,000 and \$7,737, respectively.

NOTE 5 – UNEARNED REVENUE

Unearned revenue consists of initial franchise fees which the Company will recognize over the term of the franchise term of ten years. As of December 31, 2023, unearned revenue consists of the following:

	December 31,	
	2023	2022
Franchise fees	\$ 126,292	\$ 30,042
Less: current portion	<u>(14,000)</u>	<u>(3,500)</u>
Unearned revenue - non current	<u>\$ 112,292</u>	<u>\$ 26,542</u>

NOTE 6 – NOTES PAYABLE - RELATED PARTY

As noted in Note 1, the Company signed a franchising rights licensing agreement with Playtime Hospitality, LLC, a related party, and agreed to pay the fees of \$1,000,000 upon demand or on the 10th anniversary of the franchise agreement. Notes payable for the years ended December 31, 2023, and 2022 was \$994,383 and \$1,000,000 respectively.

NOTE 7 – FRANCHISE INFORMATION

Franchises consist of the following:

	December,31	
	2023	2022
Franchises licensed - Beginning of year	1	-
Franchises opened during the year	3	1
Franchises closed during the year	-	-
Franchises licensed - End of year	4	1

The Company’s parent Company, Playtime Hospitality, LLC, also operates four company owned outlets in Texas.

NOTE 8 – MARKETING FUND

Under the terms of the franchise agreement, the Company plans to collect up to 3% of gross sales from franchisees to be used for various forms of marketing. The Company will administer and direct the development of all marketing and promotion programs in the marketing funds for which it collects marketing fees, in accordance with the provisions of the franchise agreement. The Company has not established a marketing fund as of December 31, 2023 and 2022.

NOTE 9 – ADVERTISING COOPERATIVES

Under the terms of the franchise agreement, franchisees must contribute up to 2% of gross sales to regional cooperative (“Coop”) for local advertising. As of December 31, 2023, the Company has not formed regional Coops, and does not require franchisees to contribute any amount to a Coop.

NOTE 10 – RELATED PARTY TRANSACTIONS

Starting in January 2023, the Company is billed monthly for its use of corporate facility by the parent company, Playtime Hospitality, LLC. The total rent expense for the year ended December 31, 2023, was \$27,312.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

In 2023, a prior period adjustment of \$28,889 was made to account for amortization expense related to franchising rights licensing agreement. There was no prior period adjustment in 2022.

NOTE 12 – SUBSEQUENT EVENTS

In accordance with FASB ASC Topic 855, Subsequent Events, the Company has evaluated subsequent events through April 9, 2024, which is the date these financial statements were available for issuance. There were no material subsequent events requiring recognition or additional disclosure in its financial statements as of and for the year ended December 31, 2023.

UNAUDITED FINANCIAL STATEMENTS

Cheeky Monkeys Franchise System LLC
Balance Sheet
As of September 30, 2025

09/30/25

Accrual Basis

	Sep 30, 25
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash & Bank	
1010 · CMFS Chase Checking - 5817	4,552.60
Total 1000 · Cash & Bank	4,552.60
Total Checking/Savings	4,552.60
Accounts Receivable	
1100 · Accounts Receivable - Sales	4,168.15
Total Accounts Receivable	4,168.15
Other Current Assets	
1200 · Due from Inter Company	620,544.30
Total Other Current Assets	620,544.30
Total Current Assets	629,265.05
Other Assets	
1400 · Franchise Rights	
1410 · Accumulated Amortization - Fran	-55,554.88
1400 · Franchise Rights - Other	1,000,000.00
Total 1400 · Franchise Rights	944,445.12
Total Other Assets	944,445.12
TOTAL ASSETS	1,573,710.17
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2010 · Credit Card	
2011 · SA Franchise -6964	-2,208.05
2012 · NK Franchise CC 5446	2,553.71
Total 2010 · Credit Card	345.66
Total Credit Cards	345.66
Other Current Liabilities	
2050 · Accrued Expenses	9,999.69
2080 · Unearned Revenue	258,917.00

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Cheeky Monkeys Franchise System LLC
Balance Sheet
As of September 30, 2025

09/30/25

Accrual Basis

	<u>Sep 30, 25</u>
2100 · Due to Inter Company	
2110 · Due to Playtime Hospitality	142,356.94
2100 · Due to Inter Company - Other	1,277,212.56
	<hr/>
Total 2100 · Due to Inter Company	1,419,569.50
2700 · Loans from Stockholders	2,530.91
	<hr/>
Total Other Current Liabilities	1,691,017.10
	<hr/>
Total Current Liabilities	1,691,362.76
	<hr/>
Total Liabilities	1,691,362.76
Equity	
3010 · Retained Earnings	-301,739.94
32000 · Members Equity	-20,738.00
Net Income	204,825.35
	<hr/>
Total Equity	-117,652.59
	<hr/>
TOTAL LIABILITIES & EQUITY	1,573,710.17
	<hr/> <hr/>

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Cheeky Monkeys Franchise System LLC

Profit & Loss

January through July 2025

09/30/25

Accrual Basis

	<u>Jan - Jul 25</u>
Ordinary Income/Expense	
Income	
4000 · Sales Income	
4010 · Royalty Fee Income	197,137.62
4020 · Franchise Fee Revenue	120,000.00
Total 4000 · Sales Income	<u>317,137.62</u>
Total Income	<u>317,137.62</u>
Gross Profit	317,137.62
Expense	
Payroll Expenses	
6051 · Wages	95,625.31
Total Payroll Expenses	95,625.31
Travel Expense	6,147.03
60000 · Advertising and Promotion	1,600.85
64300 · Meals and Entertainment	870.66
64900 · Office Supplies	1,417.40
67100 · Rent Expense	16,829.33
67200 · Repairs and Maintenance	
6601 · Repairs & Maintenance	547.09
Total 67200 · Repairs and Maintenance	547.09
7000 · Admin & General	
Professional Fees	
7110 · Legal Fee	1,870.00
7112 · Accounting Fees	10,042.53
Total Professional Fees	11,912.53
7260 · Software & Apps	352.23
7270 · Recruitment and Training Expenses	59.95
Total 7000 · Admin & General	<u>12,324.71</u>
Total Expense	<u>135,362.38</u>
Net Ordinary Income	181,775.24

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Cheeky Monkeys Franchise System LLC

Profit & Loss

January through July 2025

09/30/25

Accrual Basis

	<u>Jan - Jul 25</u>
Other Income/Expense	
Other Expense	
80000 · Ask My Accountant	1,066.38
Total Other Expense	<u>1,066.38</u>
Net Other Income	<u>-1,066.38</u>
Net Income	<u><u>180,708.86</u></u>

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

EXHIBIT F
LIST OF CURRENT FRANCHISEES AND LIST OF FORMER FRANCHISEES

Current franchisees:

Cheeky Monkeys – Sugar Land
Kreative Kids 1, LLC
2601 Town Center Blvd N.
Sugar Land, TX 77479
(281) 302-5874

Cheeky Monkeys - Highland Village
A&R Clay, LLC
1700 Cottonwood Creek Suite 120
Highland Village, TX 75077
(972) 318-1092

Cheeky Monkeys - The Woodlands
Kreative Kidz 2 LLC
17937 Interstate 45 #125
Shenandoah, TX 77385
(832) 823-5932

Cheeky Monkeys - Casa Linda - Dallas, TX
/ See Em Play, Inc
1152 N Buckner Blvd, Suite 105, Dallas, TX 75218
(214) 377-7144

Cheeky Monkeys - Katy/Richmond, TX - Houston / Kreative Kidz 3, LLC
26440 FM 1093, Suite C, Richmond, TX 77406
(832) 437-5297

The following locations opened in 2025:

Cheeky Monkeys - Arlington, TX /
CM DFW 1, LLC
1102 W Arbrook Blvd., Suite 100, Arlington, TX 76015
(682) 437-2800

Cheeky Monkeys - Cedar Park, TX - Austin
/ SIF Enterprises LLC
401 E Whitestone Blvd., Suite B-101, Cedar Park, TX 78613
(512) 528-5115

Cheeky Monkeys - Vintage Park - Houston, TX
/ Texas Edutainment Inc
106 Vintage Park, Suite 106 E. Houston, TX 77070
(346) 808-5108

Former franchisee(s):

None.

EXHIBIT G
STATE-SPECIFIC DISCLOSURES AND
STATE-SPECIFIC AGREEMENT AMENDMENTS

**STATE-SPECIFIC ADDENDUM TO THE FDD
FOR MINNESOTA**

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Item 13, Additional Disclosures:

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks.

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subs. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60

days to cure), 180 days' notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

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

**STATE-SPECIFIC ADDENDUM TO THE FRANCHISE AGREEMENT
FOR MINNESOTA**

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's

trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

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

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

Cheeky Monkeys Franchise Systems LLC

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

EXHIBIT H
CHEEKY MONKEYS® FRANCHISEE COMPLIANCE CERTIFICATION

As you know, Cheeky Monkeys Franchise Systems LLC (the “**Franchisor**”) and you are preparing to enter into a Franchise Agreement for the establishment and operation of a Cheeky Monkeys® Franchised Business (the “**Franchised Business**”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. The following dates and information are true and correct:

- a. _____, 202__ The date of my first face-to-face meeting with any person to discuss the possible purchase of a franchise for a Cheeky Monkeys® Franchised Business.
Initials _____
- b. _____, 202__ The date on which I received the Franchisor’s Franchise Disclosure Document (“**FDD**”).
Initials _____
- c. _____, 202__ The date when I received a fully completed copy (other than signatures) of the Franchise Agreement and Addenda (if any) and all other documents I later signed.
Initials _____
- d. _____, 202__ The date on which I signed the Franchise Agreement.
Initials _____

2. Have you received and personally reviewed the Franchise Agreement and each Addendum and related agreement attached to them?

Yes _____ No _____

3. Do you understand all of the information contained in the Franchise Agreement, each Addendum and related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, Addendum, and/or related agreement do you not understand? (Attach additional pages, as needed.)

4. Do you understand that the Franchise Agreement contains a number of provisions that may affect your legal rights, including required mediation, designated locations or states for any judicial

proceedings, a waiver of a jury trial, a waiver of punitive or exemplary damages, limitations on when claims may be filed, and other waivers and limitations?

Yes _____ No _____

5. Have you received and personally reviewed the FDD that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, as needed.)

8. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a “pay-per-use,” children’s play center?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

10. Has anyone speaking on the Franchisor’s behalf made any statement or promise to you concerning the revenues, profits or operating costs of a Cheeky Monkeys® Franchised Business operated by the Franchisor or its franchisees that is different from the information contained in the FDD?

Yes _____ No _____

11. Has anyone speaking on the Franchisor’s behalf made any statement or promise to you about the amount of money you may earn in operating the Franchised Business that is different from the information contained in the FDD?

Yes _____ No _____

12. Has anyone speaking on the Franchisor's behalf made any statement or promise concerning the total amount of revenue your Franchised Business will or may generate that is different from the information contained in the FDD?
- Yes _____ No _____
13. Has anyone speaking on the Franchisor's behalf made any statement or promise regarding the costs you may incur in operating your Franchised Business that is different from the information contained in the FDD?
- Yes _____ No _____
14. Has anyone speaking on the Franchisor's behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating "pay-per-use," children's play center as a franchised business?
- Yes _____ No _____
15. Has anyone speaking on the Franchisor's behalf made any statement or promise, or made an agreement with you, concerning how much service and assistance the Franchisor will provide to you (for example, concerning advertising, marketing, training and support) that is different from the information contained in the FDD?
- Yes _____ No _____
16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise before today?
- Yes _____ No _____
17. Have you paid any money to the Franchisor concerning the purchase of this franchise before today?
- Yes _____ No _____
18. Do you understand that the territorial rights you have been granted are subject to limitations and exceptions?
- Yes _____ No _____
19. Do you understand that the Franchise Agreement contains the entire agreement between you and the Franchisor concerning the franchise rights for the Franchised Business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?
- Yes _____ No _____
20. If you have answered "Yes" to any of questions 10-17, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered "no" to each of questions 10-17, then please leave the following lines blank.

21. I signed the Franchise Agreement and Addenda (if any) on _____, 202____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.
22. During my negotiations and evaluations leading up to my decision to franchise, I communicated with the following individuals from Cheeky Monkeys Franchise Systems LLC or its affiliates, or independent brokers:

	<u>Name</u>	<u>Address</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____

[Insert additional names and addresses below if needed]

23. Do you understand that your answers are important to us and that we will rely on them and by signing this questionnaire, you are representing that you have considered each question carefully and responded truthfully to the above questions?

Yes _____ No _____

FRANCHISE APPLICANT

Signed

Printed Name

_____, 202____

EXHIBIT I
FORM OF RELEASE

GENERAL RELEASE

*(Form only; subject to change, NOT TO BE EXECUTED AT THE SAME TIME AS THE
FRANCHISE AGREEMENT)*

For and in consideration of the Agreements and covenants described below, Cheeky Monkeys Franchise Systems LLC (“Franchisor”) and _____ (“Franchisee”) enter into this Release of Claims (“Agreement”).

RECITALS

- A. Franchisor and Franchisee entered into a Cheeky Monkeys® Franchise Agreement dated _____, _____.
- B. [NOTE: Describe the circumstances relating to the release.]
- C. Subject to and as addressed with greater specificity in the terms and conditions noted below, Franchisor and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **Release of Claims by Franchisee.** Except as may be prohibited by applicable law, and in consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for itself, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the “Franchisee Parties”) release and forever discharge Franchisor, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the “Franchisor Parties”) of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which you may now or in the future own or hold, that in any way relate to the Franchise Agreement or the business relationship between the parties (collectively, “Claims”), for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisee Parties do not release the Franchisor Parties from any obligations arising by virtue of this Agreement and the Franchisor Parties’ failure to comply with those obligations.

5. **Release of Claims by Franchisor.** Except as noted in this Section 5, and subject to your compliance with the terms and conditions of this Agreement, Franchisor Parties hereby release and forever discharge Franchisee Parties from any and all Claims, for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise

laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisor Parties do not release the Franchisee Parties from any obligations arising by virtue of this Agreement and of the Franchisee Parties' failure to comply with those obligations. Further, the Franchisor Parties do not release the Franchisee Parties from any Claims related to Franchisee's (i) indemnification obligations under Section 20 of the Franchise Agreement, (ii) non-disclosure obligations under Section 11 of the Franchise Agreement, and (iii) post-termination non-compete obligations under Section 17 of the Franchise Agreement, each of which remain in full force and effect and are incorporated by reference in this Agreement.

6. **Acknowledgement.** The releases of Claims outlined in Section 4 and Section 5 are intended by the Franchisor Parties and the Franchisee Parties (collectively, the "Parties) to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of one of the Parties against the other Party regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Parties' respective intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. The Parties further acknowledge and agree that no violation of this Agreement shall void the releases contained in this Agreement.

7. **Reservation of Claims Against Non-Settling Parties.** Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

8. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

9. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

10. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the procedural and substantive laws of the State of Texas, irrespective of any conflict of laws. The parties agree that any action brought in any court, whether federal or state, shall be brought only within the city and state where the Franchisor has its U.S. headquarters. Franchisee hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action.

11. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement

that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____, 20__

CHEEKY MONKEYS FRANCHISE SYSTEMS LLC

By _____

Its _____

Dated: _____, 20__

FRANCHISEE

By _____

Its _____

EXHIBIT J

State Effective Dates

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

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

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Pending
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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

EXHIBIT K
RECEIPT

RECEIPTS
(to be retained by prospective franchisee)

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 Cheeky Monkeys Franchise Systems LLC offers you a franchise, we must provide this disclosure document to you:

- (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or
- (b) Under New York and Iowa law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days (14 calendar days for Iowa) before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale, or
- (c) Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The Franchisor is Cheeky Monkeys Franchise Systems LLC, located at 535 Talbert Drive, Suite 301, Plano, Texas 75093. Its telephone number is: (469) 304-1461.

Issuance date: August 25, 2025.

The franchise seller is (check one): _____ Martin Trevino or _____ Naji Khattar, of Cheeky Monkeys Franchise Systems LLC, located at 535 Talbert Drive, Suite 301, Plano, Texas 75093; (469) 304-1461 by phone; and franchise@cheekymonkeys.us by email.

Any additional individual franchise sellers involved in offering the franchise are:

Cheeky Monkeys Franchise Systems LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document dated August 25, 2025. This disclosure document included the following exhibits:

- A Franchise Agreement
- B Table of Contents for Manuals
- C List of State Administrators
- D Agents for Service of Process
- E Financial Statements
- F List of Current and Former Franchisees
- G State-Specific Disclosures and State-Specific Agreement Amendments
- H Franchisee Compliance Certification
- I Form of Release
- J State Effective Dates
- K Receipts (2 copies)

Date Received

Prospective Franchisee

Name (please print)

Address: _____

RECEIPTS
(to be retained by prospective franchisee)

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 Cheeky Monkeys Franchise Systems LLC offers you a franchise, we must provide this disclosure document to you:

(a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or

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- J State Effective Dates
- K Receipts (2 copies)

Date Received

Prospective Franchisee

Name (please print)

Address: _____