



FRANCHISE DISCLOSURE DOCUMENT

Monkey Joe's Franchising, LLC
a Georgia limited liability company
6090 Roswell Road
Atlanta, Georgia 30328
Telephone: (833) 665-5469
Facsimile: (815) 377-3683
ddollinger@biggamebrands.com
www.monkeyjoes.com

We are offering franchises to operate a family entertainment and party facility that offers groups a large environment that features games, inflatable and play equipment, food and beverages, and related products and services under the service mark "MONKEY JOE'S."

The total investment necessary to begin operation of a Monkey Joe's franchise is \$681,000 to \$1,240,500. This includes \$40,000 that must be paid to the franchisor or its affiliate. You must sign a market development agreement and you must pay a market development fee equal to \$40,000 for each facility that you agree to develop under the market development agreement. The market development fee you pay will be credited against the initial franchise fee for that facility, as long as you develop and open the facility according to your development schedule.

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 Daryl Dollinger at 6090 Roswell Road Atlanta, Georgia 30328 and (833) 665-5469.

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

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

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

The date of issuance of this Franchise Disclosure Document is April 13, 2022.

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 H 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 Monkey Joe's business in my area? | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. |
| Does the franchisor have a troubled legal history? | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings. |
| What's it like to be a Monkey Joe's 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 A.

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 Georgia. 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 Georgia than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from \$681,000 to \$1,240,500. This amount exceeds the franchisor's stockholders equity as of December 26, 2021, which is \$37,474.

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

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor. The franchisor is Monkey Joe's Franchising, LLC, a Georgia limited liability company. This Disclosure Document will refer to Monkey Joe's Franchising, LLC as "we", "us", "our" or "Monkey Joe's." This Disclosure Document will refer to the person or entity that buys the franchise from us as "you" or "your", and the term includes your partners if you are a partnership, your members if you are a limited liability company, or your shareholders if you are a corporation.

Monkey Joe's is a Georgia limited liability company that was originally organized under the name Crazy Squared, LLC on March 21, 2005. We changed our name to Monkey Joe's Franchising, LLC on September 29, 2006. Our principal business address is 6090 Roswell Road, Atlanta, Georgia 30328, and our telephone number is (833) 665-5469. Our agents for service of process are disclosed on Exhibit A to this Disclosure Document.

We began offering franchises for the Monkey Joe's family entertainment facilities ("Monkey Joe's Facility" or "Facility") in April 2005. We have not offered franchises for any other line of business.

Predecessors and Affiliates. We have no predecessors.

Our affiliates through common ownership that offer franchises include the following:

Flying Biscuit Franchising, Inc.: Flying Biscuit Franchising, Inc. ("Flying Biscuit") is a Georgia corporation with its principal place of business at 6090 Roswell Road, Atlanta, Georgia 30328. Flying Biscuit offers franchises for casual, full-service restaurants featuring breakfast and brunch foods. Flying Biscuit began offering these franchises in October 2006. As of December 26, 2021, there was 4 affiliate-owned Flying Biscuit restaurants, which are owned by MS&W Raleigh, LLC, FB TOCO Hills, LLC and (2) under Martin Sprock, and 18 franchisee-owned Flying Biscuit restaurants open and operating. Additionally, as of December 26, 2021, there were approximately 16 Flying Biscuit restaurants committed to be established and opened in the future under market development agreements between Flying Biscuit and its franchisees. Flying Biscuit has not offered franchises for any other line of business.

Big Game Brands, LLC: Big Game Brands, LLC ("BGB") is an affiliate of ours. BGB is a Georgia limited liability company with its principal place of business at 6090 Roswell Road, Atlanta, Georgia 30328. We have an agreement with BGB that provides BGB will provide employees and services ("Support Services") to assist us in managing and operating the Monkey Joe's franchise system. BGB provides Support Services to our affiliates listed above for their franchise systems. BGB has not offered franchises in this or any other line of business.

Except as described above, we have no parents, predecessors, or affiliates required to be included in this Item.

The Franchise. We offer franchises to individuals and entities to operate Monkey Joe's family entertainment and party facilities that offer groups a large environment that features games, inflatable and play equipment, food and beverages, and related products and services under the form of Franchise Agreement attached to this Disclosure Document as Exhibit C (the "Franchise Agreement"). In connection with our Monkey Joe's Facility concept, we have developed various games and inflatable and play equipment which we may offer under the Monkey Joe's brand and also under other brands we may create and develop.

A typical Monkey Joe's Facility occupies at least 16,000 square feet of space with 18 to 24 foot ceiling clearance that may be either owned by you or leased from a third party. All facilities are constructed to our specifications as to size, layout, décor, and the like. A Monkey Joe's Facility may be located in either a freestanding building like a warehouse or in an in-line retail plaza space. Ample parking, good visibility, and availability of prominent signage are recommended. A Monkey Joe's Facility will employ approximately 20 to 30 persons.

We created the Monkey Joe's franchise system which includes the common use and promotion of the name "MONKEY JOE'S" and other service marks, trademarks, trade names, logos, emblems, signs, slogans, insignia and commercial symbols we may designate from time to time (collectively, the "Marks"); distinctive games, inflatable and play equipment, and the quality standards therefore; procedures for inventory and management control; training; advertising and promotional programs; and ongoing assistance. We may from time to time add or delete products and/or services, and you will be expected to follow suit. Monkey Joe's Facilities use the method of operation, games, inflatable and play equipment, products, concept, format, style and trade secrets developed, adopted, and approved by us. You will operate a Monkey Joe's Facility as an independent business utilizing the Marks, business concepts, support, guidance, and materials developed by us. You will offer and provide products and services to the general public under the terms and conditions contained within the Franchise Agreement and our confidential operations manual (the "Operations Manual") that will be loaned to you at the time of training. You may not offer other services or products without our prior written approval.

Competition. Monkey Joe's Facilities compete primarily with other businesses that offer family oriented entertainment, including theme parks, amusement parks, arcades, restaurants and businesses that rent inflatable products for home parties, including regional and national chains and franchise systems. The family entertainment business is very competitive which is often driven by fierce price competition, however, we believe that we have created a niche market with the Monkey Joe's franchise system by creating a park-like setting that is climate controlled with a unique trade dress and appearance which is easily distinguishable from other family entertainment facilities. Prior business management experience is vital for new franchisees, and experience in the family entertainment business is highly desirable. Prior business ownership experience also is highly desirable.

The Agreements. You must enter into a Market Development Agreement, the current form of which is attached to this Disclosure Document as Exhibit B (the "Development Agreement"). Under the Development Agreement, you must develop, open and operate an agreed upon number of Facilities located in an area of responsibility (the "Area of Responsibility") in accordance with an agreed upon development schedule (the "Development Schedule"). You must enter into a Development Agreement even if you will establish only one Facility. There is no preset minimum or maximum number of Facilities that you may agree to establish in connection with a Development Agreement. The number of Facilities to be developed is negotiated between you and us on a case-by-case basis. The Development Agreement will expire on the day after operations of the final Facility to be established under the Development Agreement are required to begin as provided on the Development Schedule. The Development Agreement will not grant any protected territory, exclusivity or other rights in which to establish your Facilities within the Area of Responsibility. You may establish your Facility at any location within the Area of Responsibility provided we consent to the location, which may be withheld or granted in our sole discretion, the location is in a state where we are permitted to sell Monkey Joe's franchises, and the Facility is not located in the franchise territory granted to another Monkey Joe's franchisee. Within our sole discretion, we may consider a location proposed by you outside your Area of Responsibility.

You will operate each Facility to be developed under the Development Agreement under a separate Franchise Agreement. The Franchise Agreement will grant you a protected territory (the "Franchise Territory"), which will be determined on a case-by-case basis by considering the population, traffic flow,

presence of businesses, location of competitors (including other Monkey Joe's franchisees), demographics and other market conditions surrounding the location of the Facility. The Franchise Territory may not be unilaterally altered, and the continuation of the Franchise Territory during the term of the Franchise Agreement does not depend on a certain sales or revenue volume or market penetration. We may not operate, or permit any other person to operate, a Monkey Joe's Facility in the Franchise Territory during the term of the Franchise Agreement; although, we may distribute products, or permit others to distribute products, which are the same or similar to those offered by your Monkey Joe's Facility, whether under the Marks or under other trademarks, trade names, services marks, logos or other commercial symbols and through any channel of distribution or method other than a Monkey Joe's Facility within the Franchise Territory, including, sales or rentals through catalogs, e-commerce, mail order, mass merchandise, even if you offer these products at your Facility.

Regulatory Matters. In addition to laws and regulations that apply to businesses generally, you will be subject to various federal, state and local government regulations including those relating to construction, site location, and the preparation and sale of food that apply to restaurant operations, as well as public health, sanitation and safety codes and ordinances. Local health codes vary from jurisdiction to jurisdiction. You will need to investigate and comply with those local health codes in your jurisdiction and this may increase your construction, equipment, and/or operating costs. You must acknowledge in the Franchise Agreement that you will keep apprised of, and comply with, all applicable laws, including the Americans with Disabilities Act, as amended. Before you buy a franchise, you are encouraged to investigate these regulations and other laws that may be applicable to your business. You should consider their impact on your business and any increased cost of doing business.

ITEM 2

BUSINESS EXPERIENCE

President, Director of Operations, Brand Leader, Secretary - Daryl Dollinger

Mr. Dollinger has served as President for us and Flying Biscuit since June 2008. Mr. Dollinger has served as CEO of Cinnaholic Franchising LLC since March 2018. Mr. Dollinger served as Manager for Atlanta Franchise Group, LLC from May 2012 to August 2019. Mr. Dollinger has served as President for Big Game Brands, LLC since April 2010. Since April 2010, Mr. Dollinger has served as Director of Operations, Brand Leader, and Secretary of Monkey Joe's. Mr. Dollinger serves in his present capacities in our offices located at 6090 Roswell Road, Atlanta, Georgia 30328.

VP of Operations – Julie Arko

Ms. Arko has served as VP of Operations since February 2020. Ms. Arko has served as Director of Marketing for us since 2015. Ms. Arko serves in her present capacities in our office located at 6090 Roswell Road, Atlanta, Georgia 30328.

ITEM 3

LITIGATION

In Re: The S&Q Shack, LLC, Debtor through Paul H. Anderson, Jr., as Chapter 7 Trustee vs. H. Martin Sprock, III, Daryl Dollinger, MIBI Investment, LLC, Robert Brand, J. Rutherford Seydel, II, J. Randall Hollingsworth, Davis, Pickren, Seydel & Sneed f/k/a Davis, Pickren & Seydel, LLP, SP Investments, LLC, MSWG, LLC f/k/a Moe's Southwest Grill, LLC, P.J.'s Coffee & Tea, Inc., Planet Smoothie Franchises, LLC, Raving Brands Holdings, Inc. d/b/a Raving Brands Holdings, LLC, Raving Brands International, LLC, RB Investments, LLC, and Shane's 41, LLC, United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division, Adversary Proceeding No. 12-05429. Filed August 24, 2012.

In 2012, the United States Bankruptcy Trustee sued certain of our affiliates, officers, and directors as well as other defendants. The lawsuit claims there were fraudulent transfers, constructively fraudulent transfers, and wrongful distributions made in connection with the sale of one of our affiliates, The S&Q Shack, LLC ("S&Q"), to Edmonds Capital Fund I, LLC. The lawsuit further alleged that S&Q forgave the debts some of our "affiliates" may have owed S&Q. Specifically, the Complaint alleged our affiliates, officers, directors, and the other defendants caused or benefitted from the distribution of the entire proceeds from the sale of the S&Q assets, thereby leaving no assets available to pay S&Q's creditors nor receivables that could be collected to pay S&Q's creditors. The lawsuit further claims Martin Sprock authorized Daryl Dollinger to make wrongful distributions of the proceeds from the S&Q sale to RBI, Mr. Sprock, and other defendants. The lawsuit sought to recover the transfers made to ten defendants, including certain of our affiliates, on the grounds that the defendants did not take such amounts for value or in good faith. The lawsuit also sought to make Mr. Sprock personally liable for the amount of any "excess" in the distribution made to him. The Complaint further demanded that property be turned over to the bankruptcy estate by our affiliates and the other defendants.

We and the other defendants investigated the allegations, and believed there were material inaccuracies in the Complaint and that substantial defenses existed. This adversary proceeding was stayed pending completion of litigation in the underlying bankruptcy cases of RBI and S&Q over the allowed amount of the claim of BV Retail, the sole remaining creditor in those cases. After the amount of the claim was adjudicated by the bankruptcy court, the Bankrupt Estate, the trustee, BV Retail and all of the defendants (except for Brand and Hollingsworth) successfully mediated the claims to a global resolution in November 2016. The parties subsequently executed a settlement agreement and an order approving settlement and dismissing this proceeding followed in 2017.

In Re: Raving Brands, Inc., Debtor through Paul H. Anderson, Jr., as Chapter 7 Trustee vs. H. Martin Sprock, III, Daryl Dollinger, Stephen LaMastra, Flying Biscuits Franchising, Inc., Monkey Joe's Franchising, LLC, Raving Brands Holdings, Inc., MH Group Holdings, LLC, Doc Green's Gourmet Salads, Inc., Doc Green's on Ponce, LLC, MSWG, LLC, Moe's SW Grill LLC, Mama Fu's Noodle House, Inc., Mama Fu's Peachtree, LLC, P.J.'s Coffee & Tea, Inc., and Bonehead's Peachtree, LLC, United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division, Adversary Proceeding No. 12-05417. Filed August 16, 2012.

In 2012 the United States Bankruptcy Trustee sued the Company, certain of our affiliates, officers, and directors, namely Martin Sprock, Darryl Dollinger, and Stephen Lamastra, as well as other defendants, namely FLYING BISCUIT FRANCHISING, INC., MONKEY JOE'S FRANCHISING, LLC, RAVING BRANDS HOLDINGS, INC., MH GROUP HOLDINGS, LLC, DOC GREEN'S GOURMET SALADS, INC., DOC GREEN'S ON PONCE, LLC, MSWG, LLC, MOE'S SW GRILL, LLC, MAMA FU'S NOODLE HOUSE, INC., MAMA FU'S PEACHTREE, LLC, P.J.'S COFFEE & TEA, INC., and

BONEHEAD'S PEACHTREE, LLC (the "RBI Affiliates"). Count I was titled "Corporate Waste" and sought relief from Sprock, Dollinger and LaMastra for their alleged failure to charge RBI Affiliates for using the Raving Brands website. Count II was titled "Unjust Enrichment" and sought relief from the RBI Affiliates for the value they obtained from use of the Raving Brands website. Count III was titled "Quantum Meruit" and sought relief from the RBI Affiliates for the value the debtor provided to them by their use of the Raving Brands website. Count IV was titled "Piercing the Corporate Veil" and sought to make Sprock personally liable as alleged 100% shareholder of debtor RBI for all debts of RBI under an abuse of entity and unity of interest theory. Count V was titled "Alter Ego" and sought to make all defendants personally liable for all debts of RBI under an abuse of entity and unity of interest theory. Count VI was titled "Breach of Fiduciary Duty" and alleged that defendants Sprock, Dollinger and LaMastra, as Directors of debtor RBI, violated their duties of care and loyalty by failing or refusing to allow RBI to charge for or profit from the Raving Brands Website, allegedly its only asset; allowing RBI to incur debts that it could not pay; and allowing the Raving Brands Affiliates to profit at the expense of RBI. Count VII was titled "Violation of the Automatic Stay" and sought from the Raving Brands Affiliates damages caused by their post-petition use and modification of the Raving Brands website.

We and the other defendants investigated the allegations, and believed there were material inaccuracies in the Complaint and that substantial defenses existed. This adversary proceeding was stayed pending completion of litigation in the underlying bankruptcy cases of RBI and S&Q over the allowed amount of the claim of BV Retail, the sole remaining creditor in those bankruptcy cases. After the amount of the claim was adjudicated by the bankruptcy court, the Bankrupt Estate, the trustee, BV Retail and all of the defendants except for LaMastra successfully mediated the claims to a global resolution in November 2016. The parties subsequently executed a settlement agreement and an order approving settlement and dismissing this proceeding followed in 2017.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

On March 19, 2009, a creditor, BV Retail, LLC ("BVR"), filed an involuntary petition against S&Q Shack for liquidation under Chapter 7 of the U.S. Bankruptcy Code. In re The S&Q Shack, LLC, No. 09-67151 (N.D. Georgia Atlanta Division 2009). S&Q Shack was an affiliate of ours with the same business address as ours. Additionally, Martin Sprock, III and Daryl Dollinger, both officers of ours, were officers of S&Q Shack. BVR claims that S&Q Shack owed BVR certain money in connection with a lease between S&Q Shack and BVR (the "Lease"). On April 13, 2009, S&Q Shack answered the petition and denied BVR allegations that (i) BVR is eligible to file the involuntary petition and (ii) S&Q Shack is not paying debts to BVR that are not subject to a bona fide dispute as to liability or amount. S&Q Shack also asserted in the answer that BVR lacked standing to file the involuntary petition because there are more than 12 creditors with claims that are not contingent or subject to bona fide dispute. By order dated August 27, 2010, S&Q Shack was placed into involuntary bankruptcy. S&Q Shack has cooperated with the U.S. Bankruptcy Trustee in the production of financial and other requested information.

On April 1, 2009, a creditor, BVR, also filed an involuntary petition against RBI for liquidation under Chapter 7 of the U.S. Bankruptcy Code. In re Raving Brands, Inc., No. 09-68410 (N.D. Georgia Atlanta Division 2009). RBI is an affiliate of ours with the same business address as ours. Additionally, Martin Sprock, III and Daryl Dollinger, both officers of ours, are officers of RBI. BVR claims that RBI owes BVR certain money in connection with the Lease and a Consent Judgment that BVR obtained against RBI. The Consent Judgment entered against RBI related to S&Q Shack's obligations under the Lease which RBI guaranteed and signed a promissory note related to certain amounts due under the Lease. On April 27, 2009, RBI answered the petition and denied BVR allegations that RBI was not paying debts to

BVR that are not subject to a bona fide dispute as to liability or amount. RBI also asserted in the answer that the petition should be dismissed because the petition seeks to invoke involuntary bankruptcy against a putative debtor that lacks any assets which could be liquidated in a Chapter 7 case. By order dated August 20, 2010, RBI was placed into involuntary bankruptcy.

After the amount of the claim was adjudicated by the bankruptcy court, the Bankrupt Estate, the trustee, BV Retail and all of the defendants successfully mediated the claims to a global resolution in November 2016. The parties subsequently executed a settlement agreement and an order approving settlement and dismissing this proceeding followed in the 2017. This led to the termination of the bankruptcies in question.

Other than these bankruptcies, no bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Franchise Fee and Market Development Fee. You must pay us an initial franchise fee equal to \$40,000 for each Facility franchised by you. The initial franchise fee is uniform for all franchisees purchasing a franchise through this Disclosure Document. We have no intention, now or in the future, of reducing the initial franchise fee for any prospective franchisee, although we reserve the right to do so in our sole discretion on a case-by-case basis. We reserve the right to waive or reduce the initial franchise fee for our affiliates, employees, existing franchises or if we run a franchise marketing promotion. We did not offer franchises in 2021, therefore we did not sell any units with a reduced initial fee. Initial franchise fees are not refundable under any circumstances.

You must enter into a Development Agreement where you will commit to develop an agreed number of Monkey Joe's Facilities consistent with the Development Schedule. When you sign the Development Agreement, you must pay us an upfront initial franchise fee of \$40,000 for each Facility that you agree to develop under the Development Agreement (the "Development Fee"). The Development Fee is payable in one lump sum when you sign the Development Agreement. If a Facility is developed in accordance with the Development Schedule, the Development Fee attributable to that Facility will be credited towards the payment of the initial franchise fee due under the Franchise Agreement for that Facility. If a Facility is not established in accordance with the Development Schedule, the Development Fee that would have otherwise been credited towards payment of the initial franchise fee for that Facility will be forfeited and retained by us. If you and we are unable to agree upon a site for a Facility and, as a result, you fail to meet your Development Schedule, we may terminate your Development Agreement. If, for any reason, the Development Agreement terminates before all or a portion of the Development Fee has been applied to the initial franchise fees, we will retain the unapplied portion of the Development Fee to compensate us for our time, effort, and foregone opportunities. The Development Fee is uniform for all franchisees purchasing through this Disclosure Document. We have no intention, now or in the future, of reducing the Development Fee for any prospective franchisee, although we reserve the right to do so in our sole discretion on a case by case basis. The Development Fee is not refundable under any circumstances.

Lease Assignment Fee and Construction Management Fees. There may be times that we become aware of real estate that may be suitable for a Monkey Joe's Facility. In order to secure such real estate, we may execute a lease for a site and offer to assign the lease for the site to you if you are interested in the site. If we assign a lease to you, in our sole discretion, you must (i) pay us a \$7,500 lease assignment fee (the "Lease Assignment Fee") in consideration for our time and expenses related to finding the site, and (ii) sign a lease assignment agreement with us and the landlord. The lease assignment agreement will be in a form approved or designated by the landlord. Under the lease assignment agreement, we will assign, and you will assume, all rights and obligations under the lease. Under the terms of the lease assignment

agreement, you must agree to indemnify us and hold us harmless in connection with the lease and all the obligations under the lease. You must also pay the legal fees and expenses related to (a) the lease we executed, and (b) the lease assignment agreement for you to assume the lease. These legal fees and expenses will usually be paid directly to the legal counsel that we used to negotiate and prepare the lease. These additional fees are not refundable under any circumstances.

If we lease a site, usually we start making leasehold improvements immediately. If you request that we assign a lease for a site that we have leased and started/completed leasehold improvements at, in addition to the Lease Assignment Fee, you must pay us (i) construction management fees for our management duties and responsibilities related to the leasehold improvements that were completed prior to the assignment of the lease to you (the “Construction Management Fees”), and (ii) our construction costs and expense. The Construction Management Fees are based on our hourly rate of actual time spent on management duties and responsibilities related to the leasehold improvements at the site plus any travel and living expenses and other related expenses. Our hourly rate is \$125. Our Construction Management Fees will not exceed \$8,000. We will provide substantiation for our Construction Management Fee at your request. These additional fees are not refundable under any circumstances.

ITEM 6

OTHER FEES

| Type of Fee | Amount | Due Date | Remarks |
|--------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Royalty Fee | 5% of Gross Sales | Every Tuesday for the preceding week’s Gross Sales | We will debit your bank account for the Royalty Fee due. See Notes 2 and 8. |
| Advertising Fund Fee | 2% of Gross Sales | Same as Royalty Fee | Payable to a separate advertising account which may be held in our name or the name of a separate entity. See Note 8. |
| Advertising Cooperatives | If we establish cooperatives, you must contribute a percentage of Gross Sales to your cooperative. | Same as Royalty Fee or as designated by your cooperative. | Currently, we have no cooperatives. Contributions to advertising cooperatives may not exceed 2% of Gross Sales. See Notes 3 and 8. |

| Type of Fee | Amount | Due Date | Remarks |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Local Advertising | A minimum of 2% of Gross Sales | As incurred | You must make local advertising expenditures as required by the Franchise Agreement. You may determine the form and media, subject to our prior approval. |
| Advertising Deficiency | Amount of Local Advertising Deficiency | Immediately upon demand | If you fail to make local advertising expenditures, we may do so on your behalf and you will reimburse us for those expenditures. |
| Renewal Fee | The amount of the then-current initial franchise fee | Before renewal | Payable when, and if, you renew your Franchise Agreement. There are other conditions to renew. |
| Transfer/Assignment Fee under Franchise Agreement | One-half the amount of the then-current initial franchise fee | Before the consummation of the transfer or sale | Payable when, and if, you transfer or sell your franchise. There are other conditions to transfer. |
| Interest and Late Payment Fees | Up to the highest rate permitted by law but no more than 18% per annum plus \$100 per occurrence | Immediately on demand | Payable on all overdue amounts. Interest begins from the date of non-payment or underpayment. |
| Insufficient Funds Fee | \$100 per occurrence | Immediately on demand | Payable if any of your payments to us are not honored by your financial institution. |
| Late Report Fee | \$100 per occurrence | Immediately on demand | We may require you to pay us \$100 each time you fail to submit to us any required reports or information. |

| Type of Fee | Amount | Due Date | Remarks |
|------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Expenses | Our actual costs, ranging from \$2,500 to \$3,500 | Immediately on demand | Payable only if an audit of your records reveals an understatement of 5% or more of your total amount owed to us during the audit period. We estimate that the range of these audit costs will range from \$2,500 to \$3,500. See Note 4. |
| Additional On-Site Training due to Failure to Maintain Standards | \$300 per day plus reimbursement of our trainers' expenses | As incurred | See Note 5. |
| Counseling and Advisory Services | Will vary under the circumstances | As incurred | See Note 6. |
| Additional On-Site Training and Assistance | Will vary under the circumstances | As incurred | You will pay a reasonable fee (e.g. \$300 per day) for additional training you request plus the reimbursement of our trainers' travel and living expenses and other related expenses. |
| Indemnification | Will vary under the circumstances | As incurred | You must reimburse us if we are held liable for damages or other relief related to the operation of your franchise. |
| Insurance Premiums | Will vary under the circumstances | Immediately on demand | You must reimburse us if we purchase insurance for you because you failed to do so. |
| Conferences | Reasonable fee under the circumstances, if any; currently set at no more than \$500 per person | Upon demand | If we require you to attend a conference or other meeting, you may have to pay a reasonable fee, which we expect will not be more than \$500 per person. |
| Costs and Attorneys' | Will vary under the | As incurred | Payable only if you do not comply |

| Type of Fee | Amount | Due Date | Remarks |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fees | circumstances | | with the Franchise Agreement. |
| Fines for Non-Compliance | Between \$100 and \$1,000 per violation per day | Within ten days of our notifying you of fines' imposition | We may levy fines as specified in the Operations Manual for your failure to comply with the Operations Manual after written notice has been given to you and you still have failed to comply. See Note 9 |
| Product/Supplier Approval Costs | Cost of testing not to exceed \$500 | As incurred | This covers the cost of testing new products or inspecting new suppliers you recommend. |
| Management Fee | 10% of Gross Sales plus our reasonable costs and expenses | Upon demand | If you are in default of the Franchise Agreement or fail to maintain the Facility in accordance with our standards, we may send in our personnel to manage the Facility until the default is cured or you are able to meet our standards. During our management of your Facility, you must pay us 10% of your Facility's Gross Sales plus all costs and expenses incurred by us in providing the management. |
| Reimbursement of Costs and Expenses regarding Modification of Franchise Agreement | Costs and attorneys' fees | Upon demand | |
| Liquidated Damages | Will vary under the circumstances | Immediately upon demand | See Note 7. |
| Maintenance, Service, and Support Contract Fees | To be determined | As incurred | If you must maintain these contracts and if you must participate in any of our contracts for these services, you may have to pay us directly for the vendors' services. As of the date of this Disclosure Document, these fees |

| Type of Fee | Amount | Due Date | Remarks |
|-------------|--------|----------|------------------------|
| | | | are not being charged. |

Note 1: Unless this Disclosure Document specifically provides otherwise, all fees are imposed by and payable to us, and we do not refund them.

Note 2: “Gross Sales” means the total of all sales of all products and services sold in, on, about or from the Facility, together with any other revenues derived from the operation of the Facility, whether by you or by any other person, whether or not in accordance with the terms of the Franchise Agreement, and whether for cash or on a charge, credit, barter or time basis, including all revenue from food, beverages, merchandise, amusement games, tokens, area rentals and other attractions in the Facility. For purposes of determining the Royalty Fee and Advertising Fee, there shall be deducted from Gross Sales: (a) the amount of refunds, allowances or discounts to customers (including coupon sales) up to 5% of the Gross Sales, provided the related sales have previously been included in Gross Sales; and (b) the amount of any excise or sales tax levied upon retail sales and paid over to the appropriate governmental authority.

Note 3: Amounts paid to an advertising cooperative will be credited against your required expenditures for local advertising under the Franchise Agreement. All members of an advertising cooperative (whether a franchisee-owned, company-owned or affiliate-owned Facility) have equal voting rights on all matters brought before the advertising cooperative for a vote, including matters relating to the amount of required contributions.

Note 4: You must pay our audit expenses only if an audit of your records reveals an understatement of 5% or more of your total amount owed to us during the audit period. In addition to any unpaid amounts you may owe us, you must reimburse us for the actual costs we incur in conducting the audit, including travel, lodging, meals, and compensation of the auditing personnel that may travel to your Facility. The cost of the audit will depend on many factors that will vary on a case-by-case basis, like the condition and accuracy of your recordkeeping, the extent of your cooperation, the number of years of your accounting records that are reviewed during the audit process, and other circumstances unique to your particular audit. We estimate that the range of these audit costs will be \$2,500 to \$3,500. Your audit expenses will not exceed our actual costs incurred in conducting the audit.

Note 5: If we notify you in writing that you have failed to maintain standards at the Facility, and you fail to cure the failure within 10 days, we have the right to assign trainers to your Facility and you must reimburse us for the trainers’ salaries, travel and living expenses and other related expenses and pay a training fee of \$300 per day. The additional training duration and content will be designed according to the specific needs of you and your Facility.

Note 6: Normally there is no fee for these services, which are provided by telephone or at our offices, unless you require unusual, extensive, or extraordinary assistance. If so, we have the right to charge you a reasonable fee of approximately \$300 per day.

Note 7: Upon termination of the Franchise Agreement due to your breach, you must pay us, in addition to other amounts owed, liquidated damages in an amount equal to (i) the greater of (a) the average annual amount of Royalty Fees payable by you to us for the two years immediately preceding the date of termination or (b) the Royalty Fees payable by you to us for the 12-month period immediately preceding the date of termination; however, if the Facility has not been open for at least 12 months, the average monthly amount of Royalty Fees payable by you to us for the months in which the Facility has been open

multiplied by 12; then (ii) multiplied by two; then (iii) multiplied by (a) five or (b) the number of years remaining in the then-current term of the Franchise Agreement, whichever is less.

Note 8: Under the Franchise Agreement, we may require that all royalty and advertising fees and advertising cooperative contributions must be paid by automated bank draft. Accordingly, we have the right to require you to sign an electronic transfer of funds authorization for your bank account.

Note 9: Under the Franchise Agreement, we may impose fines for your failure to comply with the Franchise Agreement of the Operations Manual. The amount of any fine may vary based on the severity of the failure and whether this is the first or a later failure.

ITEM 7

ESTIMATED INITIAL INVESTMENT

| YOUR ESTIMATED INITIAL INVESTMENT | | | | |
|---------------------------------------------------------------------------|----------------------------|--------------------------|----------------------------------------|--------------------------------------|
| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is To Be Made |
| Initial Franchise Fee is paid upfront as the Development Fee (See Note 1) | \$40,000 for each Facility | Lump Sum | Upon signing the Development Agreement | Us |
| Rent (See Note 2) | \$40,000 to \$50,000 | As Arranged | As Arranged | Landlord |
| Security Deposit (See Note 3) | \$6,000 to \$15,000 | As Arranged | As Arranged | Landlord |
| Real Estate and Improvements (See Note 4) | \$300,000 to \$600,000 | As Arranged | Before Opening | Landlord, Contractors |
| Travel and Living Expenses while Training (See Note 5) | \$5,000 to \$9,500 | As Incurred | During Training | Hotels, Restaurants, Airfare |

| YOUR ESTIMATED INITIAL INVESTMENT | | | | |
|--------------------------------------------------------------|------------------------|--------------------------|----------------------------|-------------------------------------------------------------------|
| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is To Be Made |
| Furnishings, Fixtures, Equipment and Decorating (See Note 6) | \$185,000 to \$450,000 | As Arranged | Before Opening | Suppliers, Contractors |
| Signage (See Note 7) | \$10,000 to \$15,000 | As Arranged | Before Opening | Suppliers, Contractors |
| Opening Inventory | \$5,000 to \$14,000 | As Arranged | Before Opening | Suppliers |
| Technology Systems (See Note 8) | \$20,000 to \$30,000 | As Arranged | Before Opening | Suppliers, Contractors, Service Providers |
| Grand Opening (See Note 9) | \$15,000 to \$18,000 | As Arranged | As Arranged | Suppliers |
| Professional Fees | \$25,000 to \$40,000 | As Arranged | Before Opening and Ongoing | Your Accountants, Lawyers, Real Estate Broker, Architectural Firm |
| Insurance (See Note 10) | \$10,000 to \$24,000 | As Arranged | As Incurred | Insurance Providers |
| Miscellaneous Opening Costs (See Note 11) | \$5,000 to \$10,000 | As Arranged | As Arranged | Suppliers, Utilities, Tradesmen, Contractors |
| Additional Funds – 3 months (See Note 12) | \$15,000 to \$30,000 | As Arranged | As Arranged | Suppliers, Employees |

| YOUR ESTIMATED INITIAL INVESTMENT | | | | |
|----------------------------------------------------------------|--------------------------|--------------------------|-----------------|--------------------------------------|
| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is To Be Made |
| Total Estimated Initial Investment (See Notes 1, 13 and 14) | \$681,000 to \$1,240,500 | | | |

*All of the above expenditures are non-refundable.

Note 1: The initial franchise fee includes the loan of our Operations Manual and initial training for up to two individuals having responsibility for the day-to-day operations of your Facility. The initial franchise fee is not refundable under any circumstances.

You will pay a Development Fee based on the number of Facilities you must develop under the Development Agreement. You must pay a Development Fee equal to \$40,000 for each Facility that you agree to develop under the Development Agreement. In most circumstances, the Development Fee is credited against the initial franchise fee you must pay for each Facility developed and opened according to your Development Schedule. If a Facility is not established in accordance with the Development Schedule, the Development Fee that would have otherwise been credited towards payment of the initial franchise fee for that Facility will be forfeited and retained by us. The estimated initial investment described above represents the estimated initial investment for each Facility opened under the Development Agreement.

Note 2: These figures presume that you will be leasing the Facility premises and only represent rent for one month. We are unable to estimate the total cost of purchasing suitable premises for your Facility or the amount of any down payment that would be required. Rent will vary depending upon the size of the premises, the site's condition, its location, demand for the site, the build-out requirements and construction or other allowances from the landlord, and the requirements of individual landlords. These figures are based upon our experience in Atlanta, Georgia. These figures may vary considerably in other parts of the United States. Regardless of whether you lease or purchase the Facility premises, a typical Monkey Joe's Facility occupies at least 16,000 square feet of space with 18 to 24 foot ceiling clearance, however, other sizes will be considered. Monkey Joe's Facility may be located in either a freestanding building like a warehouse, or in an in-line retail plaza space. Ample parking, good visibility, and availability of prominent signage are recommended. Because of the wide variation in lease rates for retail space, you should thoroughly investigate the costs of obtaining a location.

Note 3: Your lessor may require a security deposit before you take possession of the premises. This deposit may or may not be refundable.

Note 4: The cost of leasehold improvements will vary widely depending upon the size and condition of the premises, whether or not there are any existing and comparable leasehold improvements in the premises, the extent and quality of improvements desired by you over and above our minimum requirements, landlord's cash contribution to the cost of the improvements, and the like. Improvements include electrical, carpentry, floor covering, painting, and contractor's fee. These expenses include fees paid to the General Contractor. Additionally, if you do not use the approved General Contractor (defined below) and/or Architectural Firm (defined below), you must pay us approximately \$2,500 to review your request to use

an unapproved General Contractor and/or Architectural Firm. These additional fees are not refundable under any circumstances. Any charges you incur in these circumstances will be in addition to the initial franchisee fee and Development Fee.

Note 5: We provide initial training at no charge for up to two individuals, but you must arrange and pay for all food and lodging expenses for the people who attend the initial training program. Costs vary depending on the distance traveled and the type of lodging.

Note 6: You must purchase or lease certain equipment, games, inflatable and play equipment, machinery, furniture and decorations which comply with our specifications and standards. Costs will vary depending on a number of factors including, without limitation, building codes and health requirements of the state where your Facility is located.

Note 7: The cost of your exterior sign will vary depending upon the size, color and back-lite channel letters of the sign and other specifications as may be required by us or the Operations Manual.

Note 8: You must purchase the Aluvii point-of-sale (“POS”) system. You are responsible for purchasing the required hardware for 3 POS stations. The approximate cost of the hardware for 3 stations is between \$3,525 and \$5,400 which includes (for each POS station) a Windows computer, cash drawer, and receipt printer. You will pay a one-time \$500 “setup fee” which includes training and system setup, with an ongoing monthly fee of \$290.

You must also purchase a video and audio security system for your Facility (the “Security System”).

Security System consisting of 16 cameras with installation and a year of support will cost approximately \$21,000. The number of cameras required will depend on the size of your Facility but we recommend at least 16 cameras for each Facility. In addition, we require that you subscribe for internet access with a reputable internet service provider that offers a static IP address. We estimate that the annual cost for maintenance and support of your Security System will be approximately \$850. There is no separate support contract for the POS system, it is included in the monthly fee.

Note 9: You must conduct a grand opening advertising campaign with the opening of your Facility. You must pay all costs of the grand opening, including publicity costs, promotional costs, plus the full cost of any price reductions or other customer inducements. Costs may vary depending on your market and the type of advertising used, however, you must spend a minimum of \$15,000 during the period 30 days prior and 60 days after the opening of your Facility or, if you purchased an existing Facility, 60 days after the purchase of your Facility.

Note 10: This figure is an estimate of the annual cost of maintaining the insurance required by the Franchise Agreement.

Note 11: This figure includes amounts for utility costs, business licenses, permits, opening assistance, and the cost of training your employees.

Note 12: This estimates the funds needed to cover your expenses during the first three months of operation. These expenses include payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses, and working capital. Your costs will vary depending on how rapidly your business grows. These figures are estimates based on our past business experience. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience and business knowledge; local economic

conditions; the local market for our product; the prevailing wage rate; competition; and the sales level achieved during the initial period. All of these expenses are paid to third parties.

Note 13: We relied on our management's business acumen to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The amount shown is based upon our experience in Atlanta, Georgia. These figures may vary considerably in other parts of the United States. Your actual investment and expenditures may vary from the above estimate depending on many factors including where your Facility is situated, the size of your Facility, your ability to negotiate to your benefit with your landlord, your management capabilities, and the amount contributed by your landlord. In addition, your costs will depend on factors such as: your compliance with our methods and procedures; your management skill; your business experience and business acumen; local economic conditions; the prevailing wage rate; and the growth of your franchise during the initial period.

Note 14: We do not offer direct or indirect financing to franchisees for any of these items. The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, collateral you pledge, policies of your lending institution, and economic conditions in your area.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you are not obligated to purchase or lease from us, our designees or suppliers approved by us, or under our specifications, any products, games, inflatable and play equipment, machinery, systems or other equipment, or real estate relating to operating your Facility.

To ensure a uniform image and uniform quality of products and services throughout the Monkey Joe's franchise system, you must purchase all games, inflatable and play equipment, food products, supplies, ingredients, machinery, systems, furnishings, merchandise, employee uniforms, goods, fixtures, inventory, paper products, packaging, and other items used, sold, displayed or distributed in your Facility (i) in compliance with our standards and specifications contained in the Operations Manual or otherwise communicated to you by us in writing and (ii) from suppliers designated or approved in writing by us. We may designate, at any time and for any reason, a single or multiple suppliers for these items and require you to purchase exclusively from such designated supplier or suppliers, which exclusive designated supplier(s) may be us or an affiliate of ours.

Currently, neither we nor our affiliates are authorized suppliers of any products, supplies, equipment, or other items used in the operation of the Facility. However, we reserve the right to designate ourselves and/or any of our affiliates as an approved supplier in the future, and we may even designate ourselves or an affiliate as the sole supplier of one or more items, in which case, you would have to buy the item from us or our affiliate at our or their then-current price. Our Operations Manual and other communications will identify our standards and specifications and the names of approved or designated suppliers. If we become a designated supplier, we may charge you a reasonable mark-up, surcharge, and handling fee on any items you purchase from us. Monies you pay to us will include a profit for us.

We must approve the site for your Facility and the site must meet our then-current site criteria. If you lease the site for your Facility, you must collaterally assign your lease to us by signing the form of Collateral Assignment of Lease attached as an exhibit to the Development Agreement and have your landlord sign the Collateral Assignment of Lease consenting to the assignment. Under the Collateral Assignment of Lease, we will be granted the right, but not the obligation, to take possession of your

Facility's premises if your franchise agreement is terminated. Under certain circumstances we may assign a lease to you and charge you a (i) Lease Assignment Fee in consideration for our time and expenses related to finding the real estate and (ii) Construction Management Fee for our management duties and responsibilities related to the leasehold improvements that were completed prior to the assignment of the lease to you. During our fiscal year ended December 29, 2019, we did not have any revenue from Lease Assignment Fees or Construction Management Fees.

We and our affiliates have the right to receive payments from authorized suppliers based upon their dealings with you and other franchisees and we may use the monies we receive without restriction for any purpose we deem appropriate or necessary. Suppliers may pay us based upon the quantities of products the Monkey Joe's franchise system purchases from them. These fees will usually be based upon the amount purchased, or, in the case of food products, an amount per case or an amount per pound. We may receive fees from a supplier as a condition of our approval of that supplier. We do not provide material benefits to franchisees (for example, renewal of existing or granting additional franchises) based on their use of designated or approved suppliers. Except as disclosed in this Item 8, we do not currently receive payments from authorized suppliers related to their dealings with our franchisees and the Monkey Joe's franchise system. During our fiscal year ended December 26, 2021, we did not have any revenue from suppliers based on their dealings with our franchisees and the Monkey Joe's franchise system.

We may negotiate supply arrangements with suppliers for the benefit of franchisees. Currently, we have a beverage arrangement with The Coca-Cola Company ("Coca-Cola") for the supply to the Monkey Joe's franchise system of fountain beverages and other drinks (the "Coke Arrangement"). Under the Coke Arrangement, all Monkey Joe's franchisees are required to pour Coca-Cola products. Our franchise system receives monies under the Coca-Cola relationship based upon a dollar amount per gallon consumed system-wide. The dollar amount is specified in the Coke Arrangement and is the confidential information of Coca-Cola. During our fiscal year ended December 26, 2021, the Monkey Joe's franchise system received \$0.00 from Coca-Cola. Monies received from Coca-Cola under the Coke Arrangement will be deposited into our Advertising Fund to be disbursed as required by the Coke Arrangement with Coca-Cola. These monies are not revenue to us. As part of our brand's commitment to Coca-Cola products, you must sign a participation agreement with Coca-Cola. A copy of the form of participation agreement is attached to this Disclosure Document as Exhibit K. Other than the Coke Arrangement, we do not currently, but we may in the future, negotiate supply arrangements with suppliers for the benefit of franchisees.

There are no approved suppliers in which any of our officers own an interest. We have negotiated price terms with some suppliers. In addition, in the future various vendors and suppliers may contribute to the cost of any annual franchise convention for the Monkey Joe's franchise system (the "Convention") through contributions or purchasing booths at the Convention.

Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and you must meet the other insurance-related obligations in the Operations Manual. The types of insurance include comprehensive general liability insurance, property and casualty insurance, statutory workers' compensation insurance, and umbrella liability insurance. We specify the minimum amount of insurance coverage in the Operations Manual; however, you may desire to obtain greater coverages. The cost of your insurance will vary depending on the insurance carriers' charges, the terms of payment, and your insurance history.

Maintenance, Service and Support Contracts. We may require you to maintain maintenance contracts or service contracts on all equipment and machinery designated by us (the cost may vary based on the items and the contract you select) and we will have the right to designate the vendor(s) for those contracts. We may also require you to maintain a contract(s), or participate in any of our contracts, with third-party(ies) offering customer service, shopper experience, food safety or other service programs

designed to audit, survey, evaluate or inspect business operations. We have the right to specify the third party(ies) and the required level of participation in such programs. You will be responsible for the cost of maintaining these contracts and/or participating in these programs. Currently we require Aluvii as the POS provider, and Enviro-Master must be hired for sanitizing the jumps.

Request for Supplier Approval. If (i) you wish to purchase any item from a supplier (manufacturer or distributor) we have not previously approved or an item that does not comply with our standards and specifications and (ii) the item has not been designed by us to be exclusively supplied by a designated supplier(s), you must first submit to us a written request for approval. We will establish a procedure for submitting these requests. We will require the proposed supplier to provide us with certain financial and operational information and other information regarding the supplier and the items to be approved. In addition, the proposed supplier must permit our representatives to inspect its facilities (e.g. business offices and/or manufacturing facilities, as applicable). Before we approve a supplier, we will evaluate the economic terms of a possible relationship and ensure that the proposed supplier meets our requirements. We reserve the right, at our option, and at the proposed supplier's expense, to inspect or re-inspect the facilities, equipment, and raw materials of any supplier, at any time.

The proposed supplier or you must pay, in advance, a fee not to exceed the reasonable cost of any evaluation, testing, and inspections we undertake. Within a reasonable time frame after we receive the completed request and after we complete any evaluation and inspection or testing, we will notify you in writing of our approval or disapproval of the proposed supplier or item. Generally, we will respond to your requests for supplier approval within a reasonable time period not to exceed 90 days. We are not required to approve any supplier or item not meeting our standards and specifications. We may deny approval for any reason, including our determination to limit the number of approved suppliers. You must not use, offer for sale or sell any of the proposed supplier's products or any other product that does not meet our standards or specifications until you receive our written approval of the proposed supplier or item.

We may revoke our approval of particular products or services, or of the supplier that supplies them, if we determine, in our sole discretion, that they no longer meet our standards or specifications. If you receive a written notice of revocation from us, you must stop selling disapproved products and/or stop purchasing from the disapproved supplier.

Refurbishments. In addition to all your other obligations in the Franchise Agreement and Operations Manual related to repairing and maintaining the Facility, at our request, but not more often than once every 5 years, unless sooner required by your lease, you must refurbish the premises of the Facility at your expense, to conform to the Facility trade dress, color schemes and presentation of the Marks in a manner consistent with the then-current image for new Monkey Joe's Facilities ("Refurbishments"). Refurbishments may include structural changes, installation of new equipment and signs, remodeling, redecoration and modifications to existing improvements. We are unable to estimate your costs for future Refurbishments which will vary from Facility to Facility based on a number of factors like: (i) the market where your franchise is located; (ii) the size of your Facility; (iii) when your Facility was last refurbished, if applicable; (iv) the amount of Monkey Joe's franchise system changes since the last refurbishment; and (v) the overall condition of the your Facility site and equipment.

* * *

We estimate that purchases and leases made by you from designated or approved suppliers, or according to our standards and specifications, represents 80% or more of your total cost of establishing, and approximately 90% of the total cost of operating, your Facility. There are currently no purchasing or distribution cooperatives within the Monkey Joe's franchise system. In the future, we may require you to (i) become a member of any purchasing and/or distribution cooperative(s)/association(s)/program(s)

designated by us and/or established by us for the Monkey Joe's franchise system, (ii) remain a member in good standing of the purchasing and/or distribution cooperative(s)/association(s)/program(s), and (iii) pay all membership dues or fees on purchases that are assessed by the purchasing and/or distribution cooperative(s)/association(s)/association(s).

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

| Obligation | Section or Exhibit in Development Agreement | Section or Exhibit in Franchise Agreement | Disclosure Document Item |
|-------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|---------------------------------|
| a. Site selection and acquisition/lease | Sections 7 and 8 and Exhibit B | Section 3.1 | Items 7, 11 and 12 |
| b. Pre-opening purchases/leases | Sections 7 and 8 | Sections 3.1, 9 and 10 | Items 7 and 8 |
| c. Site development and other pre-opening requirements | Sections 2.1, 6, 7 and 8 | Sections 1, 3.1, 3.2, 10 and 11.1 | Items 6, 7, 8 and 11 |
| d. Initial and ongoing training | Not Applicable | Sections 1, 2, 9, 13 and 14 | Items 7, 11 and 15 |
| e. Opening | Sections 6 and 8 and Exhibit A | Sections 1, 3.1, 11.1 and 13 | Items 6, 7 and 11 |
| f. Fees | Sections 4 and 5 | Sections 2.2, 4, 5, 6.2, 6.3, 11, 14 and 22.1 | Items 5, 6, 7 and 11 |
| g. Compliance with standards and policies/Operating Manuals | Section 8 | Sections 7, 8.1 and 9 | Items 8, 11, 13, 14 and 16 |
| h. Trademarks and proprietary information | Section 11 | Sections 8, 9 and 15 | Items 11, 13 and 14 |
| i. Restrictions on products/services offered | Not Applicable | Sections 9 and 25 | Items 8 and 16 |

| Obligation | Section or Exhibit in Development Agreement | Section or Exhibit in Franchise Agreement | Disclosure Document Item |
|--------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|---------------------------------|
| j. Warranty and customer service requirements | Not Applicable | Not Applicable | Not Applicable |
| k. Territorial development and sales quotas | Sections 1, 2 and 6 and Exhibit A | Not Applicable | Items 1, 5, 6 and 12 |
| l. Ongoing product/service purchases | Not Applicable | Section 9 | Item 8 |
| m. Maintenance, appearance and remodeling requirements | Section 8 | Sections 2.2, 9 and 19.4 | Items 7, 11 and 17 |
| n. Insurance | Not Applicable | Section 18.2 | Items 6, 7 and 8 |
| o. Advertising | Not Applicable | Sections 9 and 11 | Items 6, 7, 11 and 12 |
| p. Indemnification | Not Applicable | Section 18.1 | Item 6 |
| q. Owner's participation/management/staffing | Not Applicable | Sections 9 and 14.1 | Item 15 |
| r. Records/reports | Not Applicable | Sections 6.1 and 6.2 | Item 6 |
| s. Inspections/audits | Section 8 | Sections 6.3 and 9 | Item 6 |
| t. Transfer | Section 13 | Section 19 | Items 6 and 17 |
| u. Renewal | Not Applicable | Section 2.2 | Items 6 and 17 |
| v. Post termination obligations | Sections 12.4 and 14 | Sections 20 and 22 | Items 14, 15 and 17 |
| w. Non-competition covenants | Sections 14.1, 14.2, 14.4 and 14.5 and Exhibit C | Sections 20.1, 20.2, 20.4 and 20.5 and Exhibit B | Items 14, 15 and 17 |
| x. Dispute resolution | Section 21 | Section 31 | Item 17 |
| y. Personal Guaranty | Section 16 and Exhibit E | Section 26 and Exhibit F | Item 15 |

| Obligation | Section or Exhibit in Development Agreement | Section or Exhibit in Franchise Agreement | Disclosure Document Item |
|-----------------------------|---------------------------------------------|-----------------------------------------------|--------------------------|
| z. Confidential Information | Sections 14.3, 14.4 and 14.5 and Exhibit C | Sections 7, 20.3, 20.4 and 20.5 and Exhibit B | Items 11, 14 and 15 |

ITEM 10

FINANCING

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

ITEM 11

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

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

Services Before Opening. Before you open your Facility, we will:

(a) Assist you in selecting, and then approve (if appropriate) a lease, sublease or purchase agreement for your Facility site. We do not choose the site, but may give you support and guidance. (See Development Agreement, Section 7.) We may provide our approval of your site within sixty (60) days. If we do not agree with you on a particular site, you will need to locate and submit another site to us for our approval. If you and we are unable to agree upon a site for a Facility and, as a result, you fail to meet your Development Schedule, we may terminate your Development Agreement. We must approve the site for your Facility and the site must meet our then-current site criteria. If you lease the site for your Facility, you must collaterally assign your lease to us by signing the form of Collateral Assignment of Lease attached as an exhibit to the Development Agreement and have your landlord sign the Collateral Assignment of Lease consenting to the assignment. Under the Collateral Assignment of Lease, we will be granted the right, but not the obligation, to take possession of your Facility's premises if your franchise agreement is terminated.

(b) Provide you with a set of standard architectural plans and specifications for a prototype Monkey Joe's Facility. We must approve any and all changes or revisions to the site and construction plans and specifications. (See Development Agreement, Section 8.)

(c) License you the Marks necessary to commence the franchised business. (See Franchise Agreement, Section 1.)

(d) Loan you one copy of the Operations Manual which contains mandatory and suggested specifications, standards, and procedures. The Operations Manual may be provided to you in text and/or electronic format. The Operations Manual is confidential and proprietary and remains our property. We have the right to modify the Operations Manual as we deem appropriate, although the modifications will not alter your status and rights under the Franchise Agreement. You may review a copy of the Operations Manual at our corporate offices in Atlanta, Georgia before you sign either the Franchise Agreement or the Development Agreement; provided that you first sign the form of Confidentiality Agreement attached to this Disclosure Document as Exhibit D. (See Franchise Agreement, Section 7.)

(e) Provide you with grand opening assistance from our personnel, including planning and developing a grand opening promotional program. (See Franchise Agreement, Sections 11.1 and 13).

(f) Give you periodic guidance (as we deem necessary) about the development, opening and operation of the Facility, including advice regarding game selection and layout, equipment selection and layout, and employee selection and training. (See Development Agreement, Section 9 and Franchise Agreement, Section 12).

(g) Before you commence operating the Facility, provide initial training for the two individuals that (i) will assume primary responsibility for managing your Facility and (ii) will devote full time and best efforts to the management and operation of your Facility (the “Managers”). (See Franchise Agreement, Section 14.1).

Site Approval and Construction. You must employ a qualified general contractor, who is reputable and experienced building units of similar retail concepts, to supervise, delegate and/or perform (i) the construction and development of the Facility, (ii) the completion of all improvements, (iii) the outfitting of the Facility with furnishings, fixtures and equipment, and (iv) all other services that are designated by us to be performed by the general contractor in connection with constructing the Facility (the “General Contractor”). We may designate a single approved General Contractor or furnish you with a list of approved General Contractors for you to employ in the construction of the Facility. You must hire a General Contractor prior to hiring the Architectural Firm (defined below).

We may designate one or more suppliers of design services and/or architecture services (an “Architectural Firm”) to supply these services to the Monkey Joe’s franchise system. At our option, we may authorize the General Contractor to select an Architectural Firm to assist in developing the Facility. You must hire the Architectural Firm to furnish to us, for our written approval, a proposed preliminary site and construction plans and specifications (which plans and specifications must be adopted from the prototype plans provided by us) for the Monkey Joe’s Facility which, if accepted, must not be modified, altered or changed without our prior written consent. You must sign any agreements required to obtain the services of the Architectural Firm and pay for all services provided by the Architectural Firm.

We will have the option of approving or denying a request from you to use an unapproved General Contractor and/or Architectural Firm submitted by you to develop and construct your Facility. In connection with any request, you and the proposed General Contractor and/or Architectural Firm must submit all information and data as we may require to consider the request. We reserve the right to charge you a reasonable fee in connection with evaluating a request to use a proposed General Contractor and/or Architectural Firm. We may deny a request for any reason, including our determination to limit the number of approved General Contractors and/or Architectural Firms.

You must also adhere to our standards and specifications for the construction and design of the Facility. We may, at any time, change, delete, add to, or modify any of our standards and specifications. These changes, deletions, additions, or modifications, which will be uniform for all franchisees, may require additional expenditures by you. While we may designate an approved supplier for an item, you will not receive any material benefits from us based on your use of the approved supplier. You must prepare all required construction plans and specifications and ensure they comply with building codes and ordinances. If your construction plans and specifications deviate from our plans and specifications, you must obtain our approval of the changes. It is your responsibility to obtain all required licenses, permits, and approvals associated with constructing and operating your Facility.

Technology Systems and Required Software. We may specify or require you to use certain brands, types, makes, and/or models of communications, monitoring, computer systems, and hardware,

including without limitation: (a) back office and point of sale systems; (b) audio and video monitoring, storage, retrieval, and transmission systems; (c) cash register systems; (d) physical, electronic, and other security systems; (e) printers and other peripheral devices; (f) archival back-up systems; (g) internet access mode (e.g., form of telecommunications connection), internet service provider, type of IP address that the service provider must provide (e.g., static IP address) and speed; and (h) remote access service providers for Franchisee and/or Franchisor access (collectively, the “Technology Systems”). The Technology Systems include the POS System and Security System.

We may develop or have developed for us, or designate: (i) computer software programs and accounting system software that you must use in connection with the Technology Systems (“Required Software”), which you must install; (ii) updates, supplements, modifications, or enhancements to the Required Software, which you must install; (iii) the tangible media upon which you must record data; and (iv) the database file structure of your Technology Systems.

We may require you to maintain support service contacts and/or maintenance service contracts and implement and periodically make upgrades and changes to the Technology Systems and Required Software. We may designate the vendor(s) for these support service contracts and maintenance service contracts.

You must purchase the required POS system. Currently the required POS system is Aluvii.

You are responsible for purchasing the required hardware for 3 POS stations. The POS system we require is Aluvii. The approximate cost of the hardware for 3 stations is between \$3,525 and \$5,400 which includes (for each POS station) a Windows computer, cash drawer, and receipt printer. You will pay a one-time \$500 “setup fee” which includes training and system setup, with an ongoing monthly fee of \$290; you may choose to add online waivers at no additional fee.

Neither our affiliates nor we derive revenue from your purchase of a POS system.

You must also purchase the required Security System. The Security System that you purchase must meet our specifications and be purchased from a supplier approved by us. The cost of this system is approximately \$21,000, and annual support and maintenance is approximately \$850. Neither our affiliates nor we derive revenue from your purchase of the Security System.

Services During Operation. During the operation of your Facility, we will:

(a) Give you periodic guidance (as we deem necessary) about (i) the methods and procedures to be utilized at the Facility; (ii) advertising and promotion; (iii) game, inflatable and play equipment specifications; (iv) recipes, food formulas and specifications; (v) bookkeeping and accounting; (vi) purchasing and inventory control; (vii) inspections; and (viii) new developments and improvements to the Monkey Joe’s franchise system. (See Development Agreement, Section 9 and Franchise Agreement, Section 12).

(b) Notify you of changes to, or the creation of, Facility standards and specifications and approved or designated suppliers, or the termination of existing approved or designated suppliers. (See Franchise Agreement, Sections 7 and 8).

(c) Refrain from operating or granting a third party the right to operate a Monkey Joe’s Facility in the Franchise Territory. (See Item 12 of this Disclosure Document and Franchise Agreement, Section 3).

(d) Give you access to advertising and promotional materials we develop. (See Franchise Agreement, Section 11.2.)

(e) Provide additional training for your managers. (See Franchise Agreement, Section 14.3).

Advertising.

We provide advertising materials and services to you through a national advertising fund we have established and control (the “Advertising Fund”). You must participate in the Advertising Fund by contributing 2% of Gross Sales. (See Item 6 of this Disclosure Document). The Advertising Fund will be established as a separate banking account and monies received from you will be accounted for separately from our other funds. There is no fiduciary or trust relationship created by our administering the Advertising Fund. We may cause the Advertising Fund to be incorporated or operated through a separate entity if we deem appropriate. (See Franchise Agreement, Section 11.2). We anticipate all of our franchisees will contribute to the Advertising Fund, although there is no prohibition against us charging higher or lower rates for future franchisees. (See Franchise Agreement, Section 11.2). We also may forgive, waive, settle, or compromise claims by or against the Advertising Fund. We may defer or reduce a franchisee’s contribution. If we terminate the Advertising Fund, we will distribute all unused monies to the contributors in proportion to their respective contributions during a pre-determined period. Currently, we do not intend to audit the Advertising Fund. If we prepare financial statements for the Advertising Fund, we will make them available to you. During our fiscal year ended December 26, 2021, the Advertising Fund contributions were spent as follows: (i) \$41,346 or (51.9%) for production, (ii) \$36,690 or (46.6%) on media placement, and (iii) \$1,600 or (.5%) on administrative expenses. In 2021, we collected \$0.00 in Advertising Fund contributions from franchisees. We also had \$161,169 in contributions from vendors to the Advertising Fund and we contributed \$161,169 to the Advertising Fund.

We use the Advertising Fund to create, among other things, promotional advertising, marketing programs, market research and marketing and advertising activities. We direct all advertising programs developed with funds from the Advertising Fund and have sole discretion over the creative concepts, materials, media used, media placement, and allocation of these programs. Any advertising program or campaign we develop may include dissemination of advertising through print, radio, television, point-of-purchase materials or other media. This coverage may be local, regional, or national in scope. We may employ an advertising agency or other agency to assist in the development, production, and dissemination of advertising materials, or we may hire personnel to perform these functions. We have no obligation to spend any amount on advertising in the area where your Facility is located. (See Franchise Agreement, Section 11.2). In fact, we have no obligation to spend the Advertising Fund’s monies to benefit all franchisees or to ensure the monies are used proportionately or equivalent to a franchisee’s contributions to the Advertising Fund.

We may charge all costs of the formulation, development, and placement of advertising and promotional materials to the Advertising Fund. These costs will include the proportionate share of our employees who devote time and render services for advertising and promotion or the administration of the Advertising Fund, including administrative costs, salaries, overhead expenses related to administering the Advertising Fund and its programs. In any fiscal year, we may spend more or less than the aggregate of contributions to the Advertising Fund in that year. The Advertising Fund may borrow from third-party lenders to cover deficits, and any lenders will receive interest on the borrowed funds. Any amounts that remain in the Advertising Fund at the end of each fiscal year will be applied toward the next year’s expenses. We assume no liability or obligations to you or any franchisee for collecting amounts due to the Advertising Fund or to administering or maintaining the Advertising Fund. If we prepare financial statements for the Advertising Fund, we will make them available to you. If you send a written request to our Vice President – Operations at our offices located at 6090 Roswell Road, Atlanta, Georgia 30328, we will provide you

with an accounting of how the Advertising Fund's monies were raised and spent. We will not use funds from the Advertising Fund for advertising that is principally a solicitation for the sale of franchises. (See Franchise Agreement, Section 11.2).

Although we can establish a cooperative in a marketing area and require you to participate, as of the date of this Disclosure Document, we have not done so. If we establish an advertising cooperative in a designated marketing area where you are located, you must participate and abide by any rules and procedures adopted by the cooperative and approved by us. (See Franchise Agreement, Section 11.4). Each of our marketing areas will encompass a group of franchisees located in a geographically-defined local, regional, or national marketing area. You will contribute to your respective cooperative, but not more than 2% of your Gross Sales, the exact amount to be set by us. Amounts contributed by you to a cooperative will be credited against monies you are otherwise required to spend on local advertising. (See Item 6 of this Disclosure Document). We have the right to draft your bank account for your advertising cooperative contribution and to pass those funds on to your cooperative.

The franchisee members will be responsible for administration of their respective advertising cooperative, as described in the by-laws and any payment agreements that may govern the cooperative. The by-laws and governing agreements will be made available for review by the cooperative's franchisee members. We have the right to require a cooperative to prepare annual or periodic financial statements for review. Each cooperative will maintain its own funds; however, we have the right to review the cooperative's finances, if we so choose. We maintain the right to approve all of a cooperative's marketing programs and advertising materials. Upon 30 days written notice to affected franchisees, we may terminate or suspend a cooperative's program or operations. We may form, change, dissolve, or merge any advertising cooperative.

We do have a Franchisee advisory council or board. The Franchise Advisory Board assists in decisions in regards to the National Marketing Fund. However, there are no bylaws that govern the Board; the Board is appointed by us and serves at our discretion.

Any advertising or marketing materials not prepared or previously approved by us (meaning advertising material you create) must be submitted to us at least two weeks before any publication or run date for approval. All advertising and promotion must be factually accurate and must not detrimentally affect the Marks or the Monkey Joe's franchise system. We may grant or withhold our approval of any advertising or marketing materials, in our sole discretion. We will provide you with written notification of our approval or disapproval within a reasonable time. If we do not notify you of our approval or disapproval within 10 days of our receipt of the materials, the materials will be deemed approved. You must discontinue your use of any approved advertising within five days of your receipt of our request if we subsequently request you to do so. (See Franchise Agreement, Section 11.5).

We do not restrict where you can conduct your advertising and other franchisees will not be precluded from advertising in your Franchise Territory just like you will not be restricted from advertising in someone else's exclusive territory. We or our affiliates may advertise within your Franchise Territory for the sale of products and supplies.

You must participate in any promotional and advertising programs that we establish.

Internet/Worldwide Web/Electronic Media. No advertising or promotion may be conducted by you over the Internet/worldwide web or through other forms of electronic media, whether within or outside your Franchise Territory, without our express prior written consent, which we can withhold for any or no reason. (See Franchise Agreement, Section 11.5). This includes any use by you or your employees of any form of social media which references the Marks in any way; you are fully responsible for your

employees with regard to social media and the Marks. You and your employees must comply with any social media policies in the Operations Manual.

We may use collection agents and bring legal proceedings to collect amounts owed to the Fund. We have no liability or obligation to you for maintaining any cooperative and each cooperative will be organized and governed in the form and manner that we determine in advance. We may change, dissolve, or merge any cooperative.

Local Advertising. You must spend at least 2% of your Gross Sales each calendar quarter on local advertising. We have the right to require that you provide us with proof that these funds were spent. If we require you to participate in an advertising cooperative, you will be able to designate a portion of the monies otherwise spent on local advertising towards the funds required by the cooperative.

Website and Social Media Policy. We currently operate a website related to the Monkey Joe's franchise system at www.monkeyjoes.com (the "Website"). We have the right to designate a successor Website. Subject to the terms of the Franchise Agreement and Operations Manual, we may make available to you a sub-page on the Website that will be located at a sub-domain of the Website to be specified by us (the "Subpage"). You will be permitted to upload content onto the Subpage solely to promote, and provide customers information related to, your Facility. You may only upload content onto the Subpage in accordance with terms of the Franchise Agreement and any guidelines, directives or specifications (collectively, "Subpage Standards") issued by us. The Subpage may not contain content which references any other Facility other than your Facility. You may not upload, publish, display, or otherwise include or use any content on the Subpage without receiving our approval. Once we approve the initial content of the Subpage, you must submit any changes to us before you make any changes. We may, at any time, cease to make the Subpage available to you or the public. Upon the termination or expiration of the Franchise Agreement for any reason or a default under the Franchise Agreement for any reason, you may not upload, content, onto, or otherwise use, the Subpage shall immediately cease and we may cease to make the Subpage available to you.

Franchisee shall submit to Franchisor for approval before use, all social media posts and replies including sites such as Facebook, Linked In, Instagram, Yelp! and other sites. Franchisee understands and agrees that Franchisor's right of approval for all such materials is necessitated by the fact that they will include and inextricably be linked with the Marks. Franchisee may only use material or postings which Franchisor has approved. Franchisee shall actively monitor its employees and make certain that they comply with these prior approval policies. Franchisees employees shall be prohibited from using the Marks on any social media without Franchisor's prior written approval.

Grand Opening. You must develop and implement a grand opening promotion approved by us for your Facility. You must spend a minimum of \$15,000 for the grand opening promotion.

Operations Manual. A copy of the Operations Manual is available for your review at our corporate offices in Atlanta, Georgia, before you sign either the Franchise Agreement or the Development Agreement. You must sign the form of Confidentiality Agreement attached as Exhibit D to this Disclosure Document before we will allow you to review the Operations Manual. Our current Operations Manual has 263 total pages.

Point of Sale System and Security System. You must purchase the POS system defined in Item 7. We currently require the Aluvii POS System. You are responsible for purchasing the required hardware for 3 POS stations. The approximate cost of the hardware for 3 stations with the brand/type being of your choosing, and including (for each POS station) a Windows computer, cash drawer and receipt printer is approximately between \$3,525 and \$5,400. You must pay a one-time \$500 "setup fee" which includes

training and system set-up, with an ongoing monthly fee of \$290 which includes all Aluvii modules, ongoing software access, backups, storage, hosting and customer support. The main functions of the POS system are to collect and manage information about the various sales transactions at your Facility. For example, you will likely use the POS system to post all product and service sales, keep inventory control, post sales tax, refunds, and credits, and maintain customer information.

You must also purchase the Security System described in Item 7 which costs approximately \$21,000 including installation and 1 year of support service. The main function of the Security System is to monitor the activities at your Facility. The Security System that you purchase must meet our specifications and be purchased from a supplier approved by us.

Neither we, our affiliates nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your POS system or Security System. Our designated suppliers may do so from time to time, but you will need to contact them to determine what services (e.g. maintenance services) they provide and the cost of those services. We estimate that the annual cost for maintenance and support for your Security System will be approximately \$850. You are contractually required at your expense to upgrade and update the POS system and Security Systems to remain in compliance with our standards and specifications. As of the date of this Disclosure Document, we are not aware of the range or the frequency of upgrades or updates. There are no contractual limitations on the frequency and cost of this requirement.

We have the right to electronically and manually access the information that the POS system and Security System collects and generates. You must cooperate with us in helping us access this information. We will have the right at any time to access your system to retrieve and compile information concerning your Facility (including viewing your Facility). In other words, we will have independent access to your sales information and data produced by your systems. There are no contractual limitations on our right to access this information and data. In addition, we require that you subscribe for internet access with a reputable internet service provider that offers a static IP address. You must supply the appropriate communications devices in order to permit the POS system and Security System to operate and provide us with access. (See Franchise Agreement, Section 10).

Site Selection. Each proposed site for a Facility established under your Development Agreement must be located in your Area of Responsibility. Within our discretion, we may consider sites proposed by you outside your Area of Responsibility. The proposed site for your Facility must be accepted by us along with any applicable lease, sublease or purchase agreement. We may help you select the site for your Facility, although we are not obligated to do so. For example, on occasion we solicit the assistance of a real estate broker with expertise within the Area of Responsibility. You will interface directly with the broker. Additionally, there may be occasions when we have executed a lease for a site and we are willing to assign the lease to you. You are responsible for locating a site and we are not obligated to assign a lease to you. If we assign a lease to you, you must sign an Acknowledgment and Release for Site Assignment attached as Exhibit J (“Acknowledgment and Release for Site Assignment”) that releases us and acknowledges that we have made no representations, warranties, or promises related to the site and the suitability of the site for a Facility. None of the representations made in this Acknowledgment and Release document are intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The site for your Facility may be leased or owned by you. Our approval of a site will be based on the information you give us to review, including a site plan. The information we need should include: (i) square footage; (ii) traffic patterns, flow, and total count; (iii) density and income level of the surrounding population; (iv) land and building costs; (v) zoning patterns; (vi) surrounding educational and recreational facilities; (vii) terms of the lease, if any; (viii) the distance from competitive businesses, including other Monkey Joe’s Facilities; and (ix) other factors having a substantial bearing on the proposed site. (See

Development Agreement, Section 7.) If we assign a lease for a site to you, we have only approved the site as meeting the basic requirements required for any site.

In addition to site approval information, you must submit for acceptance by us proposed site and construction plans and any modification to our specifications you propose. The construction of the premises must be completed according to our specifications. If you lease the premises, you and the landlord must enter into a Collateral Assignment of Lease in the form attached as Exhibit B to the Development Agreement, which includes, among other things, a provision that permits you to assign your interest in the premises to us when your Franchise Agreement expires or terminates. If we do not approve a site, you must propose a new site.

If we and you are unable to agree upon a site for a Facility and, as a result, you fail to meet your Development Schedule, we may terminate your Development Agreement. Approval of a location does not imply or guarantee the success or profitability of the site. While there is no contractual limit on the time it takes us to approve or disapprove your proposed site and lease, once we have all the necessary documentation for review, we typically take 30-60 days to approve or disapprove the proposed site and lease.

Start-up Time. We expect that you will open your Facility within 9 to 14 months after you sign the Franchise Agreement. The factors that affect this timing are financing, building permits, zoning, local ordinance issues, and delayed installation of equipment, fixtures, and signs. If you do not commence operation of the Facility within 14 months after the effective date of the Franchise Agreement, we may terminate the Franchise Agreement.

Conferences and Meetings. Although we are not obligated under the Franchise Agreement, we may hold periodic conferences, management meetings, or refresher courses about once a year to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, and the like. These conferences may be held at our Atlanta, Georgia location or such other place that we may designate and may last 1 or 2 days. We anticipate holding a national conference, more or less annually. The frequency of other meetings and conferences has not been determined. At this time, we anticipate that any other meetings and conferences will occur infrequently. We may charge you a reasonable fee to attend these meetings or conferences, which we expect will not be more than \$500 per person (see Item 6). You must pay your own travel and accommodation expenses. (See Franchise Agreement, Sections 14.3 and 14.4).

Electronic Funds Transfer. We may require you to pay all fees or contributions due under the Franchise Agreement by automated bank draft or other reasonable means necessary to ensure we receive payment of all fees and contributions. You must comply with any of our payment instructions, including executing any forms which grant us the right to debit your account on a weekly basis for payment of royalty and advertising fees or contributions and other fees or contributions to be paid to us or required by us under the Franchise Agreement. (See Franchise Agreement, Section 5.3).

Training. We will assist your owners and management but you are ultimately responsible for your own employees. We provide the operations training materials but do not supply any training specific to state or federal employment laws—that is your sole responsibility.

Below is a description of our initial training program as of the date of this Disclosure Document. Training programs are subject to change as procedures and processes change. You must send a minimum of two managers to become certified through the training program for each Facility that you operate. We will train the two Managers that (i) will assume primary responsibility for managing the Facility and (ii) will devote full time and best efforts to the management and operation of the Facility at no charge, but you must arrange and pay for all travel, food and living expenses for the people who attend the initial training

program. We may permit additional managers of your Facility to attend the initial training program, and, if we do, you will be responsible for all costs and expenses incurred by us in providing the training to these additional managers, and you will be responsible for arranging and paying for all travel, food, and living expenses for the additional managers you decide to send. Unless you will be a Manager for the Facility, you do not have to attend initial training. To become certified, your designated managers must satisfactorily complete all training projects and written tests with a passing score, and successfully demonstrate all on-the-job training procedures detailed in the Operations Manual and the Monkey Joe's University Training Manual (the "Training Manual"). Your designated managers must successfully complete the training program to our satisfaction to become certified managers, before the Facility opens for business. In addition, we may require you and your managers and employees to attend additional training programs, and you may be charged a reasonable fee for the additional training that we develop in the future. Although we are not obligated under the Franchise Agreement, we may hold periodic conferences, management meetings, or refresher courses about once a year to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, and the like.

The initial training program instructional materials include various training aids including detailed handouts (such as menu descriptions, recipes, and product specifications), PowerPoint presentations, training videos, vendor reference materials (such as user guides, pricing guidelines, etc.), Operations forms (such as checklists and line checks) and the Operations Manual.

The initial training program will last approximately one week and will be comprised of classroom training and in-Facility training in a Monkey Joe's approved facility. Training will occur at our facility in Newnan, Georgia, or at another training facility that we will designate. Training will be conducted as often as we deem necessary, but at least monthly. (See Franchise Agreement, Section 14.1).

TRAINING PROGRAM

| Subject | Hours of Classroom Training | Hours of On-the-Job Training | Location |
|-----------------------------|------------------------------------|-------------------------------------|------------------------|
| Operations/Shift Management | 22 | 29 | Metro Atlanta, Georgia |
| Administrative | 3 | 3 | Metro Atlanta, Georgia |
| Marketing | 3.5 | 0 | Metro Atlanta, Georgia |

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Day One: Time: (3 hours)

- Employee Paperwork
- Orientation
- Welcome
- Who Is Monkey Joe?
- Creating Raving Fans
- Uniform Guidelines
- Cleanliness & Sanitation
 - Restrooms
 - Hand washing
 - Good Personal Hygiene Practices
 - Sanitation Practices
- Daily Cleaning assignments
- 360 Degree Awareness
- L.E.A.P.
- Safety Procedures
 - General
 - Power Outage
 - Deflated Unit
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 - MSDS
 - Code Adam
- Requests Off
- Greetings & Farewells
- Basic Info
- Training Cards
- OJT Cards
- Tour of Facility
- Clocking in & Out
- Rules of the Jungle

Day 2: Time: (3 hours)

- Chimp Check
 - Monkey Joe's Greeting
 - Security & Safety
 - Checking Guests Out
 - Duties
 - Customer Service
- Walk in Check in
 - Monkey Joe's Greeting
 - Wristbands
 - Waivers
 - Cash Handling Procedures
 - Frequent Jumper Cards
 - Banana Bucks
 - Coupons & Discounts
 - Pricing
 - Answering the Phone
 - Customer Service

- Concession
 - General Duties
 - FIFO
 - Pizza Warmer
 - Popcorn Machine
 - Pretzel Warmer/Oven
 - Nachos
 - Hot Dog Roller
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 - Other Equipment
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 - Opening & Closing Checklists

Day 3: Time: (3 hours)

- Referee
 - Silicone
 - Whistles
 - Supervision
 - Cleaning
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- Monkey Joe
 - General
 - Birthday Parties
 - Costume Care
 - Do's
 - Don'ts
- Redemption
 - General

Day 4: Time: (6 hours)

- Trainer Led Shadow Day (Remember to complete OJT Cards)
- Chimp Check (1 hour)
- Walk in Check in (1 hour)
- Concession (1 hour)
- Referee (1 hour)
- Monkey Joe (1 hour)
- Redemption (1 hour)

Day 5: Time: (6 hours)

- Trainee Led Shadow Day (Last chance to fill complete OJT Cards)
- Chimp Check (1 hour)
- Walk in Check in (1 hour)
- Concession (1 hour)
- Referee (1 hour)
- Monkey Joe (1 hour)
- Redemption (1 hour)

Our training instructor has the following training experience: Julie Arko has 7 years of experience in the industry and 7 years of training experience.

ITEM 12 **TERRITORY**

Development Agreement. The Development Agreement will specify an Area of Responsibility within which you will focus your development efforts. The Development Agreement and the Franchise Agreement do not grant you an exclusive territory within which to develop your Facility(ies). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You may establish a Facility at any location within your Area of Responsibility provided that we consent to the location, which may be granted or withheld in our sole discretion, the location is in a state where we are permitted to sell Monkey Joe's franchises, and the location is not located in another franchisee's franchise territory or area of responsibility. We will notify you of those areas which have been assigned to franchisees, either as exclusive territories or areas of responsibility. We do not intend to grant a large number of franchise territories, although we intend on occasion to grant other franchisees areas of responsibility within which they will concentrate their development efforts. An Area of Responsibility is a geographic territory within which we expect the franchisee to concentrate his/her development efforts. You will have no exclusive territorial rights, protected territory or other rights to exclude, control or impose conditions on the location or development of other or future franchises under the Marks or on our activities, except as may be provided in an applicable Franchise Agreement. If you fail to meet your Development Schedule, we may terminate your Development Agreement.

Franchise Agreement. You will receive the right to operate a Monkey Joe's Facility only at a site we approve, in our sole discretion. The site will be designated in the Franchise Agreement. Under the Franchise Agreement, you are granted a protected territory. Your Franchise Territory will be negotiated by you and us before you sign the Franchise Agreement and specifically described in the Franchise Agreement. In negotiating the Franchise Territory, we may examine population, median household income, traffic flow, presence of businesses, location of competitors (including other Monkey Joe's franchisees), demographic, and other market conditions. While there is no minimum area for the Franchise Territory, a typical Franchise Territory generally extends for approximately 5 miles around the Facility. As long as you are in compliance with the Franchise Agreement, we will not operate a Monkey Joe's Facility within your Franchise Territory, and we will not authorize anyone else to do so. You will operate your Facility only from the approved site, and you must receive our permission before you relocate your Facility. The Franchisor will condition any approval of a relocation based upon the commercial value of the new location, customer traffic, visibility, and similar issues.

You may solicit customers and advertise your Facility anywhere you choose. There are no restrictions on you, any of our other franchisees, or us to prevent any soliciting or advertising in someone else's franchise territory. No party is obligated to pay compensation to any other party for soliciting customers from the other franchisee's franchise territory.

Under the Franchise Agreement, we and our affiliates have reserved the right to establish anywhere franchises and/or company-owned or affiliate-owned facilities or outlets selling similar products and providing similar services (including within your Franchise Territory) under names and symbols other than the Marks, even if these facilities or outlets are near your Facility. Nevertheless, as of the date of this Disclosure Document, we have no present plans to exercise any of these rights. We also reserve the right to operate, for ourselves and other affiliates, businesses using the Marks to distribute products or offer services (including through the Internet, worldwide web, mail order, catalogs or other forms of distribution channels or methods) that may be similar to or different from those found in Monkey Joe's Facilities, both

within and outside your Franchise Territory, so long as we do not do so through the operation of a Monkey Joe's Facility. We also reserve the right to establish and operate, and grant to other franchisees or licensees the right to operate, businesses identified with the Marks that offer, ship, sell, rent and provide products or services (including catering and delivery services) to customers located both within and outside your Franchise Territory through any distribution channel or method, including Internet (or any other existing or future form of electronic commerce), except through the operation of a Monkey Joe's Facility within your Franchise Territory, even if you sell these products at your Facility. You have no right to sell any products from any location other than your Facility and you have no right to sell products through the Internet or worldwide web, through mail order or catalogs or through any other form of distribution channel or method. You have no right to use the Marks in connection with any business other than a Monkey Joe's Facility. We have the right to engage in any other activities not expressly prohibited in the Franchise Agreement. You may face competition from other franchisees, from Facilities that we own, or from other channels of distribution or competitive brands that we control.

You have no right of first refusal or similar rights to acquire additional franchises or establish additional Monkey Joe's Facilities.



We have not established any minimum sales quota and do not require any certain level of market penetration in order for you to maintain your Franchise Territory. We will not reduce the size of your Franchise Territory even if the population in it increases. Likewise, we will not expand the size of your Franchise Territory if the population in it decreases. We cannot alter your Franchise Territory unless you give us your written consent. Any rights that are not specifically granted to you under the Franchise Agreement are retained by us.

Other family entertainment concepts owned now or in the future by us or our affiliates may be established in close proximity to your Facility. We are not required to compensate you in connection with our exercising any of the above rights.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we grant you the non-exclusive right to operate your Facility under the name “MONKEY JOE’S” and to use the other Marks we authorize you to use. The following Marks are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”).

| Mark | Registration No. | Registration Date | Owner |
|------------------------------------------------------------------------------------|------------------|-------------------|-------|
|  | 4,495,690 | 03/11/2014 | Us |
| MONKEY JOE’S PARTY BIG. PLAY GREAT. | 4,522,766 | 04/29/2014 | Us |
|  | 4,389,594 | 08/20/2013 | Us |

All required affidavits for the principal Marks have been filed. There are no currently effective determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court; nor is there any pending infringement, opposition or cancellation proceedings, or material litigation, involving the Marks listed above. No agreements are currently in effect that significantly limit our rights to use or license the use of the Marks which are material to the franchise.

You must follow the Franchise Agreement, the Operations Manual and our specifications when you use the Marks. The Marks are the only Marks you may use to identify the Facility. You may not use any Mark as part of any corporate or trade name or as part of any domain name or electronic address you maintain on the Internet, the worldwide web, or any other similar proprietary or common carrier electronic delivery system unless we expressly authorize you to do so in writing. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks other than a license to use the Marks during the terms of the Franchise Agreement. You are not permitted to make any changes of any kind in or to the use of the Marks unless we permit.

You must notify us promptly of any unauthorized use of the Mark of which you have knowledge or of any challenge to the validity of our ownership of or our right to license others to use the Mark. We will take the action, if any, we believe to be appropriate. We have the right, but no obligation, to initiate, direct, and control any litigation or administrative proceeding relating to the Mark, including, but not

limited to, any settlement. We will be entitled to retain any and all proceeds, damages, and other sums, including attorneys' fees, recovered or owed to us or our affiliates in connection with any such action. You must execute all documents and, render any other assistance we may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Mark. We will defend you against any third-party claim, suit, or demand arising out of your use of the Mark. If we, in our sole discretion, determine that you have used the Mark in accordance with the Franchise Agreement, the cost of such defense and the cost of any judgment or settlement, will be borne by us. If we, in our sole discretion, determine that you have not used the Mark in accordance with the Franchise Agreement, those costs will be borne by you. In the event of any litigation relating to your use of the Mark, you will do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Mark in a manner inconsistent with the terms of the Franchise Agreement or the Manuals, we agree to reimburse you for your out-of-pocket costs in doing such acts.

You must not directly or indirectly contest our right to the Marks, trade secrets, or business techniques that are part of our business. We have no contractual obligation to protect or indemnify you against claims of infringement regarding your use of the Marks, but we might do so when your rights require protection. In that case, if you cooperate with us, we would pay all costs, including attorneys' fees and court costs, associated with any litigation required to defend or protect your authorized use of the Marks. We will not pay any of your attorneys' fees if you hire your own attorney.

You must modify or discontinue the use of a Mark if we instruct you to do so. If this happens, you must bear the tangible costs of compliance (i.e. changing signs) and we do not have to reimburse you for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark. We may develop or acquire additional Marks and make them available for your use.

We do not know of any superior rights or infringing uses that could materially affect your use of the Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or registered copyrights that are material to your Monkey Joe's franchise.

We claim common law rights and copyright protection in a number of items you will use in the operation of your Monkey Joe's Facility, including our Operations Manual, and in certain other materials and information related to the Monkey Joe's system, like our marketing materials, specifications, architectural drawings, Facility designs, marketing techniques, advertising programs, advertising strategies, supplier lists, expansion plans, and other information we create or use. We have not registered any of these copyrighted materials with the United States Registrar of Copyrights, although we may do so. We also treat all of this information as trade secrets.

All materials or information of any kind that are designated "confidential" orally or in writing or which, under the circumstances surrounding disclosure, ought to be treated as confidential, are deemed confidential and are loaned to you only under and during the term of the Franchise Agreement and Development Agreement. All confidential materials and the information contained in them must be treated by you as confidential and you must use your best efforts to keep them confidential during and after the terms of the Franchise Agreement and Development Agreement as provided in each agreement. This means that you cannot make copies in any medium of any confidential information or use any confidential information outside of the scope of the Franchise Agreement or Development Agreement or disclose any

confidential information to any third party or other persons identified by us as not having authorization to receive disclosure of confidential information. You may disclose confidential information contained in the Operations Manual only to your employees who have a business need to have access to the confidential information, but only if you first secure from them an agreement to maintain the confidentiality of the confidential information disclosed.

All copyrighted materials and confidential information are owned exclusively by us. Your right to use copyrighted materials and confidential information is derived solely from the Franchise Agreement and Development Agreement and is limited to the conduct of the business under and in compliance with the Franchise Agreement and Development Agreement and all applicable specifications, standards, and operating procedures we prescribe during the term of the Franchise Agreement and Development Agreement. Any unauthorized use of our copyrighted materials or any unauthorized use or disclosure of confidential information will constitute an infringement of our rights in and to the copyrighted materials and confidential information.

We may claim copyright protection in certain techniques we create, and may patent certain processes and equipment we develop. If we do, we will notify you and, if the copyrights and patents are material to your obligations under the Franchise Agreement, we will authorize you to use them at no additional charge. Any modifications or improvements that you make to the Monkey Joe's franchise system will be deemed a works made for hire which shall be owned exclusively by us. We do not have to compensate you for your modification or improvement.

You must promptly notify us of any unauthorized use of our copyrighted materials or any unauthorized use or disclosure of confidential information, including by your employees. You must notify us of any challenge to your right to use or the ownership of any copyrighted materials or confidential information. We are not required to protect or defend our copyrights, although we intend to do so when it is in the best interests of the Monkey Joe's franchise system. We have the exclusive right to control any copyright litigation. We have the right to keep all sums obtained in settlement or as a damages award in any proceeding or litigation without any obligation to share any portion of the settlement sums or damages award with you. While we are not required to participate in your defense or to indemnify you for damages or expenses you incur if you are a party to any administrative or judicial proceeding involving our confidential information or other information in which we claim common law rights and copyright protection, we may reimburse you for your liability and reasonable costs in connection with defending our confidential information and other information in which we claim common law rights and copyright protection.

We will have the right at any time, on notice to you, to make additions to, deletions from, and changes in any item in which we claim common law copyright or registered copyright protection including the Operations Manual. You must adopt and use all additions, deletions, and changes as we direct, at your expense.

Your spouse, and if you are not an individual, your shareholders, members, partners and managers, as applicable, and their spouses, must sign the Personal Covenants attached to the Franchise Agreement as Exhibit B and the Development Agreement as Exhibit C requiring them to comply with the confidentiality provisions of the Franchise Agreement and the Development Agreement, refrain from engaging in competitive businesses, and refrain from soliciting our employees and the employees of other Monkey Joe's franchisees. We have the right to require your other employees who have access to our confidential information to sign a noncompetition, nonsolicitation and/or nondisclosure agreement in the form(s) prescribed by us from time to time. We have the right to take legal action against you if there has been an unauthorized use of our confidential information or trade secrets through you or your employees.

There is currently no litigation pending involving the copyrighted materials or confidential information. We do not know of any effective material determinations of the U.S. Copyright Office or any court regarding any of the copyrighted materials or confidential information. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials or confidential information.

We do not know of any superior rights or infringing uses that could materially affect your use of our confidential information or copyright materials.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must maintain direct responsibility over the Facility; however, we do not require that you personally supervise the day-to-day operations of the Facility. During operation hours, a Manager who has successfully completed the initial training program must at all times be at your Facility. The Managers must directly supervise and be responsible for the day-to-day management and proper operation of your Facility, and the Managers may not assist in any business which competes with your Facility. The Managers must invest their full time and attention and devote their best efforts to the on-premises management of the Facility. The Managers cannot have an interest or business relationship with any of our business competitors. The Managers need not have an ownership interest in a corporate, limited liability company, or partnership franchisee.

If the Managers are not already bound by the Franchise Agreement, we may require them to sign a noncompetition, nonsolicitation and/or nondisclosure agreement in the form(s) prescribed by us. This noncompetition, nonsolicitation and/or nondisclosure agreement will prohibit them from directly or indirectly engaging in activities that compete with the operations of your Facility or any other Monkey Joe's Facility, disclosing our confidential and proprietary information and trade secrets, and soliciting our employees and employees of other Monkey Joe's franchisees. We also may require those employees who have received our confidential and proprietary information to enter into the same noncompetition, nonsolicitation and/or nondisclosure agreement.

We may require each of your owners holding at least a 10% equity interest in you (the "Principal Owners"), to personally guarantee your obligations to us under the Development Agreement and the Franchise Agreement. While we may require that the Principal Owners sign guarantees, we do not require the same of their spouses (unless he or she also owns at least 10% of your equity). The guarantees will be in the form of the Guaranty Agreement attached as Exhibit E to the Development Agreement and Exhibit F to the Franchise Agreement, respectively.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct the business operated at your Facility as required by the Operations Manual and the Franchise Agreement. You must offer and sell only those products and services approved by us. Further, you must offer all games, inflatable and play equipment, food and beverages that we designate as required for all franchisees. We have the right to add additional authorized games, inflatable and play equipment, food, and beverages that you must offer. There are no limits on our right to make modifications to our approved games, inflatable and play equipment, food, and beverages, whether by a change in the

Operations Manual or through an amendment to the Franchise Agreement or by another form of written directive.

We will not restrict you from soliciting any customers, no matter who they are or where they are located. However, you may only offer services or products to consumers for consumer purposes (and not for resale). You may not offer products at wholesale. You may not ship products within or without your Franchise Territory.

You may not have or use, or permit the presence or use of, vending machines, video game machines, telephone booths, or entertainment devices not included in the Monkey Joe's System, unless we consent in writing.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Development Agreement

| Provision | Section in Development Agreement | Summary |
|---------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Length of the franchise term | Section 3 | Expires the date after operations of the final Facility to be established are required to begin as provided on the Development Schedule. |
| b. Renewal or extension of the term | Not Applicable | Not Applicable |
| c. Requirements for franchisee to renew or extend | Not Applicable | Not Applicable |
| d. Termination by franchisee | Section 12.1 | You can terminate only if we fail to cure a default under the Development Agreement within 90 days (or 150 days in some instances) after you give us written notice of termination. |
| e. Termination by franchisor without cause | Not Applicable | Not Applicable |
| f. Termination by franchisor with "cause" | Sections 12.2 and 12.3 | We can terminate only if you default or if certain events (described in (g) and (h) below) occur. In some instances, you will have an opportunity to cure the default. |

| Provision | Section in Development Agreement | Summary |
|--------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | |
| g. “Cause” defined – curable defaults | Section 12.3 | Failure to comply with any provisions of the Development Agreement not covered in “h” below. You have 30 days (or 60 days in some instances) after we give you written notice to cure the default. |
| h. “Cause” defined – non-curable defaults | Section 12.2 | Insolvency; bankruptcy; liquidation; reorganization; general assignment for benefit of creditors; failure to pay us or any creditor, supplier or lessor of the Facility any sums due after written notification; failure to comply with Development Schedule; conviction of a felony or crime involving moral turpitude; making of material misrepresentations; unauthorized transfer; unauthorized use or disclosure of confidential information; failure to comply with non-competition and non-solicitation provisions; failure to comply with any applicable law; dissolution; default under the Franchise Agreement or any other agreement between you and us; or receipt of three default notices within a 12 month period. |
| i. Franchisee’s obligations on termination/non-renewal | Sections 12.4 and 14 | No investment in competitive business; no solicitation of employees; no disclosure of confidential information; and strictly comply with non-compete prohibition. |
| j. Assignment of contract by franchisor | Section 13.1 | No restriction on our right to assign. |
| k. “Transfer” by franchisee – defined | Section 13.2 | Includes transfer of Development Agreement, any interest in Development Agreement, or any equity interest in you if you are an entity or any equity interest in any owners of you if they are an entity. |
| l. Franchisor approval of transfer by franchisee | Sections 13.2 and 13.3 | We have the right to approve all transfers. |

| Provision | Section in Development Agreement | Summary |
|---------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| m. Conditions for franchisor approval of transfer | Section 13.4 | Transferee qualifies; transferee assuming obligations under Development Agreement and/or entering into new Development Agreement and any other agreements we require; terms and conditions of transfer are satisfactory to us; you are not in default under the Development Agreement, any Franchise Agreement or any other agreement between you and us; sign the current form of general release in <u>Exhibit L</u> to this Disclosure Document; transfer fee paid; we decline to exercise our right of first refusal; and the Marks not being used in any advertisement for any prohibited transfer. |
| n. Franchisor's right of first refusal to acquire franchisee's business | Section 15 | We can match any offer for the transfer of your business or any ownership interest. |
| o. Franchisor's option to purchase franchisee's business | N/A | Not Applicable |
| p. Death or disability of franchisee | Sections 13.3 and 13.4 | Franchise must be assigned by estate to an approved buyer. |
| q. Non-competition covenants during the term of the franchise | Sections 14.1, 14.2, 14.4 and 14.5 | No involvement in competitive business and no solicitation of any employee of Monkey Joe's or employee of any other Monkey Joe's franchisee. |
| r. Non-competition covenants after the franchise is terminated or expires | Sections 14.1, 14.2, 14.4 and 14.5 | For one year, no involvement in competitive business located within a three mile radius of any Monkey Joe's Facility and no solicitation of any employee of Monkey Joe's or employee of any other Monkey Joe's franchisee. Competitive business includes any business that offers games, inflatable and play equipment, party areas and/or other products or services offered at Monkey Joe's Facilities. |
| s. Modification of the agreement | Section 30 | Generally, no modifications unless agreed in writing. |
| t. Integration/merger clause | Section 30 | Only the terms of the Development Agreement are binding (subject to state law). |

| Provision | Section in Development Agreement | Summary |
|---------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Any representations or promises made outside the disclosure document and the Development Agreement may not be enforceable. |
| u. Dispute resolution by arbitration or mediation | Section 21.2 | Except for certain claims, disputes must be settled by arbitration. Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office. |
| v. Choice of forum | Sections 21.1 and 21.2 | Litigation must be held in the federal or state court for the district where our principal executive office is located (subject to state law). Our principal executive office is currently located in Atlanta, Georgia. Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office. |
| w. Choice of law | Section 31.1 | Georgia law applies, except for federal law and with respect to covenants restricting competition which may be governed by the laws of the state in which the Facility is located (subject to state law). |

Franchise Agreement.

| Provision | Section in Franchise Agreement | Summary |
|-------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Length of the franchise term | Section 2.1 | 10 years |
| b. Renewal or extension of the term | Section 2.2 | If you meet the requirements, you can renew for one additional consecutive 10 year term; after that you will have no right to renew the Franchise Agreement. |

| Provision | Section in Franchise Agreement | Summary |
|---------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| c. Requirements for franchisee to renew or extend | Section 2.2 | You must: provide written notice of election to renew; not be in default of the Franchise Agreement or any other agreement relating to the Facility; sign the then-current form of Franchise Agreement; pay a renewal fee; refurbish the Facility, if required; complete any required retraining program; sign the current form of general release in <u>Exhibit L</u> to this Disclosure Document; and maintain ownership or leasehold interest in the Facility location or secure a suitable alternative. Terms of the then-current form of Franchise Agreement may differ materially from any and all of those contained in the Franchise Agreement attached to this Disclosure Document. |
| d. Termination by franchisee | Section 21.1 | You can terminate only if we fail to cure a default under the Franchise Agreement within 90 days (or 150 days in some instances) after you give us written notice of termination. |
| e. Termination by franchisor without cause | Not Applicable | Not Applicable |
| f. Termination by franchisor with “cause” | Sections 21.2 and 21.3 | We can terminate only if you default or if certain events (described in (g) and (h) below) occur. In some instances, you will have an opportunity to cure the default. |
| g. “Cause” defined – curable defaults | Section 21.3 | Failure to comply with our standards and procedures or any term of the Franchise Agreement not covered in “h” below, including: failure to submit required reports; failure to relocate; failure to comply with any of the terms and conditions of any other agreement entered into by you in connection with your Facility; failure to maintain required insurance; and failure to restore Facility to full operation if it is rendered inoperable by casualty. You have 30 days (or 60 days in some instances) after we give you written notice to cure the default. |

| Provision | Section in Franchise Agreement | Summary |
|--------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| h. “Cause” defined – non-curable defaults | Section 21.2 | Insolvency; bankruptcy; liquidation; reorganization; general assignment for benefit of creditors; failure to pay us or any creditor, supplier or lessor of the Facility any sums due after written notification; conviction of a felony or crime involving moral turpitude; operation of the Facility as a safety hazard; making of material misrepresentations; unauthorized transfer; failure to comply with non-competition and non-solicitation provisions; unauthorized use of any Mark or disclosure of confidential information; failure to comply with any applicable law; unauthorized seizures; failure to maintain possession of the Facility premises; knowingly maintaining false books or records; denying us access to your books or records; understatement of fees by more than 5%; receipt of three default notices within a 12 month period; or dissolution. |
| i. Franchisee’s obligations on termination/non-renewal | Sections 20, 21.4 and 22 | Obligations include payment of lost profits; complete de-identification of Facility; payment of amounts due; return confidential materials; cancel assumed name registration; transfer telephone and fax numbers and Internet listings; no investment in competitive business; no solicitation of employees; follow any procedures in the Operations Manual related to discontinuing operations of the Facility; and offer us the right to purchase the Facility. We may assume the Facility’s management. |
| j. Assignment of contract by franchisor | Section 19.1 | No restriction on our right to assign. |
| k. “Transfer” by franchisee – defined | Section 19.2 | Includes transfer of Franchise Agreement, any interest in Franchise Agreement, any assets of Facility, or any equity interest in you if you are an entity or any equity interest in any owners of you if they are an entity. |
| l. Franchisor approval of transfer by franchisee | Sections 19.2 and 19.3 | We have the right to approve all transfers but will not unreasonably withhold approval. |

| Provision | Section in Franchise Agreement | Summary |
|---------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| m. Conditions for franchisor approval of transfer | Section 19.4 | Transferee qualifies; transferee assuming obligations under Franchise Agreement and/or entering into new Franchise Agreement and any other agreements we require; terms and conditions of transfer are satisfactory to us; you are not in default under the Development Agreement, Franchise Agreement or any other agreement between you and us; sign the current form of general release in <u>Exhibit L</u> to this Disclosure Document; fee paid; we decline to exercise our right of first refusal; and the Marks not being used in any advertisement for any prohibited transfer. |
| n. Franchisor's right of first refusal to acquire franchisee's business | Section 23 | We can match any offer for the transfer of your business or any ownership interest. |
| o. Franchisor's option to purchase franchisee's business | Section 22.3 | Upon expiration or termination of the Franchise Agreement, you must offer us the right to purchase the Facility. |
| p. Death or disability of franchisee | Section 19.3 | Franchise must be assigned by estate to an approved buyer. |
| q. Non-competition covenants during the term of the franchise | Sections 20.1, 20.2, 20.4 and 20.5 | No involvement in competitive business and no solicitation of any employee of Monkey Joe's or employee of any other Monkey Joe's franchisee. |
| r. Non-competition covenants after the franchise is terminated or expires | Sections 20.1, 20.2, 20.4 and 20.5 | For one year, no involvement in competitive business located within a three mile radius of any Monkey Joe's Facility and no solicitation of any employee of Monkey Joe's or employee of any other Monkey Joe's franchisee. Competitive business includes any business that offers games, inflatable and play equipment, party areas and/or other products or services offered at Monkey Joe's Facilities. |
| s. Modification of the agreement | Sections 7, 8.1 and 40 | Generally, no modifications unless agreed in writing. We may revise the Operations Manual and you must comply with each requirement. |

| Provision | Section in Franchise Agreement | Summary |
|---------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| t. Integration/merger clause | Section 40 | Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. |
| u. Dispute resolution by arbitration or mediation | Section 31.2 | Except for certain claims, disputes must be settled by arbitration. Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office. |
| v. Choice of forum | Sections 31.1 and 31.2 | Litigation must be held in the federal or state court for the district where our principal executive office is located (subject to state law). Our principal executive office is currently located in Atlanta, Georgia. Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office. |
| w. Choice of law | Section 31.1 | Georgia law applies, except for federal law and with respect to covenants restricting competition which may be governed by the laws of the state in which the Facility is located (subject to state law). |
| x. Liquidated Damages | Section 22.1 | Upon termination of the Franchise Agreement due to your breach, you shall pay us, in addition to other amounts owed, liquidated damages in an amount equal to (i) the average monthly amount of Royalty Fees payable by you to us for the one year immediately preceding the date of termination however, if the Restaurant has not been open for at least 12 months, the average monthly amount of Royalty Fees payable by you to us for the months in which the Facility has been open multiplied by 12; then (ii) multiplied by twenty-four; or (b) the number of months remaining in the then-current term of the Franchise Agreement, whichever is less. |

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in Exhibit E attached to this Disclosure Document.

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 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 performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Daryl Dollinger, 6090 Roswell Road, Atlanta, Georgia 30328, (833) 665-5469, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

All year-end numbers appearing in the tables below are as of December 29, 2019, December 27, 2020, and December 26, 2021.

Table No. 1

Systemwide Outlet Summary
For years 2019/2020/2021

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---------------|------|----------------------------------|--------------------------------|------------|
| Franchised | 2019 | 39 | 33 | -6 |
| | 2020 | 33 | 17 | -16 |
| | 2021 | 17 | 14 | -3 |
| Company-Owned | 2019 | 0 | 0 | 0 |
| | 2020 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 |

| | | | | |
|---------------|------|----|----|-----|
| Total Outlets | 2019 | 39 | 33 | -6 |
| | 2020 | 33 | 17 | -16 |
| | 2021 | 17 | 14 | -3 |

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other Than Franchisor)
For years 2019/2020/2021

| State | Year | Number of Transfers |
|------------|------|---------------------|
| All States | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| Totals | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |

Table No.3

Status of Franchise Outlets
For years 2019/2020/2021

| 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 |
|-------------|------|--------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Connecticut | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 2019 | 6 | 0 | 1 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 1 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 1 | 0 | 0 | 0 | 3 |
| Georgia | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 4 | 0 | 0 | 0 | 1 |

| 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 |
|----------------|------|--------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Illinois | 2019 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Indiana | 2019 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Iowa | 2019 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Kentucky | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Maryland | 2019 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Massachusetts | 2019 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2020 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Missouri | 2019 | 2 | 1 | 1 | 0 | 0 | 0 | 2 |
| | 2020 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | | | | | | | | |
| North Carolina | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 4 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Pennsylvania | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| South Carolina | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |

| 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 |
|-----------|------|--------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 2019 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2020 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Texas | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | | | | | | | | |
| Virginia | 2019 | 1 | 1 | 1 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Wisconsin | 2019 | 3 | 1 | 1 | 0 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | | | | | | | | |
| Total | 2019 | 39 | 3 | 9 | 0 | 0 | 0 | 33 |
| | 2020 | 33 | 0 | 16 | 0 | 0 | 0 | 17 |
| | 2021 | 17 | 0 | 3 | 0 | 0 | 0 | 14 |
| | | | | | | | | |

Explanatory Notes:

Note 1: Franchisees must sign Development Agreements under which they agree to develop a certain number of Facilities consistent with a Development Schedule. You are not granted development territories under the Development Agreements, although you will have an Area of Responsibility within which you will concentrate your development efforts (see item 12). As of December 26, 2021, there were 3 Facilities committed to be established and opened in the future under Development Agreements and Franchise Agreements between us and our franchisees. These Facilities are scheduled to be established and opened during the period 2023.

Table No. 4

Status of Company-Owned and Affiliate-Owned Outlets
For years 2019/2020/2021

| 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 |
|------------|------|------------------------------|----------------|------------------------------------|----------------|----------------------------|----------------------------|
| All States | 2019 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2019 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |

Table No. 5

Projected Sales and Openings
For Fiscal Year 2022

| 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 Fiscal Year |
|--------|---------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------|
| Totals | 0 | 0 | 0 |

Attached to this Disclosure Document as Exhibit F are (i) the names, addresses, and telephone numbers of our franchisees who have Facilities open and operating as of December 26, 2021 and (ii) the names, business addresses and telephone numbers of the franchisees who have signed franchise agreements but whose business was not operational as of December 26, 2021.

The name, city and state, and the current business telephone number (or, if known, the last known home telephone number) of every franchisee who had a Facility terminated, canceled, or not renewed by us in fiscal year 2021, who otherwise voluntarily or involuntarily ceased to do business under their Franchise Agreement or Development Agreement in fiscal year 2021, or who did not communicate with us within 10 weeks of the issuance date of this Disclosure Document are attached to this Disclosure Document as Exhibit G. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Agreements

During our last 3 fiscal years, some of our franchisees have signed confidentiality clauses restricting their ability to speak openly about their experience with the Monkey Joe's franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Monkey Joe's franchise system. You may wish to speak with current and former franchisees, but be aware that not all of these franchisees will be able to communicate with you.

Franchisee Associations

As of December 26, 2021, there are no trademark-specific franchisee organizations associated with the Monkey Joe's franchise system.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit H are: our unaudited balance sheet and profit and loss statement as of April 30, 2022, and our audited balance sheets for our fiscal years ended December 26, 2021, December 27, 2020, and December 29, 2019 and the related statements of operations, changes in members' equity (deficit), and cash flows for the fiscal years then ended.

ITEM 22

CONTRACTS

The Development Agreement is attached as Exhibit B to this Disclosure Document. The following additional contracts or agreements are attached to the Development Agreement:

| Exhibit | Agreement |
|----------------|------------------------------------------------------------|
| A | Development Schedule, Development Fee and Payment Schedule |
| B | Collateral Assignment of Lease |
| C | Personal Covenants |
| D | Developer Information |
| E | Guaranty Agreement |
| F | State Specific Addenda |

The Franchise Agreement is attached as Exhibit C to this Disclosure Document. The following additional contracts or agreements are attached to the Franchise Agreement:

| Exhibit | Agreement |
|----------------|--------------------------------------------------------|
| A | Franchised Site, Franchise Territory and Franchise Fee |
| B | Personal Covenants |
| C | Internet Web Sites and Listings Agreement |
| D | Telephone Listing Agreement |
| E | Franchisee Information |
| F | Guaranty Agreement |
| G | State Specific Addenda |

The following additional agreements or other documents that you must complete and return to us or the relevant party are attached to this Disclosure Document:

| Exhibit | Agreement |
|----------------|---------------------------------------------------------------------|
| I | Franchisee Disclosure Questionnaire |
| J | Acknowledgment and Release for Site Assignment |
| K | Coca-Cola Participation Agreement |
| L | General Release (if you renew or assign/transfer your Agreement(s)) |

ITEM 23

RECEIPT

Exhibit N to this Disclosure Document contains detachable Receipts acknowledging your receipt of this Disclosure Document. Please return one Receipt to us and retain the other for your records. If you are missing these Receipts, please contact us at the following address or telephone number:

Monkey Joe's Franchising, LLC
6090 Roswell Road
Atlanta, Georgia 30328
Telephone: (833) 665-5469

EXHIBIT A

**STATE AGENCIES AND ADMINISTRATORS
AND FRANCHISOR'S AGENTS FOR SERVICE OF PROCESS**

A. STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>CALIFORNIA</u> California Department of Financial Protection and Innovation Franchise Division 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 1350 Front Street San Diego, CA 92101 (619) 525-4233 One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559 | <u>CONNECTICUT</u> State of Connecticut Department of Banking Securities Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent: Banking Commissioner |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>HAWAII</u> (state administrator)</p> <p>Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p> <p>(agent for service of process)</p> <p>Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722</p> | <p><u>ILLINOIS</u></p> <p>Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p> |
| <p><u>INDIANA</u> (state administrator)</p> <p>Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681</p> <p>(agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531</p> | <p><u>MARYLAND</u> (state administrator)</p> <p>Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p> <p>(for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p> |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>MICHIGAN</u> (state administrator)</p> <p>Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48931 (517) 335-7567</p> <p>(for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909</p> | <p><u>MINNESOTA</u> (state administrator)</p> <p>Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1638</p> <p>(for service of process) Minnesota Commissioner of Commerce</p> |
| <p><u>NEW YORK</u> (state administrator)</p> <p>NYS Department of Law Investor Protection Bureau 28 Liberty Street 21st Floor New York, New York 10005 (212) 416-8222 Phone</p> <p>(for service of process) Attn: New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue Albany, New York 12231-0001 (518) 473-2492</p> | <p><u>NORTH DAKOTA</u></p> <p>North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712</p> <p>(for service of process) Securities Division</p> |
| <p><u>OREGON</u></p> <p>Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387</p> | <p><u>RHODE ISLAND</u></p> <p>State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg 69-1 Cranston, Rhode Island 02920 (401) 462-9527</p> |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>SOUTH DAKOTA</u></p> <p>Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p> | <p><u>VIRGINIA</u></p> <p>State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051</p> <p>(for service of process) Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733</p> |
| <p><u>WASHINGTON</u> (state administrator)</p> <p>Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507-9033 (360) 902-8760</p> <p>(for service of process) Director of Dept. of Financial Institutions Securities Division 150 Israel Rd SW Tumwater WA 98501 (360)902-8760</p> | <p><u>WISCONSIN</u> (state administrator)</p> <p>Division of Securities Department of Financial Institutions 201 W. Washington Ave., Suite 300 Madison, Wisconsin 53703 (608) 266-1064</p> <p>(for service of process) Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703</p> |

EXHIBIT B
MARKET DEVELOPMENT AGREEMENT

[SEE ATTACHED]



Multiple Facilities _____

Single Facility _____

**MONKEY JOE'S FRANCHISING, LLC
MARKET DEVELOPMENT AGREEMENT**

THIS MARKET DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into this ____ day of _____, 201_ (the "Effective Date"), by and between MONKEY JOE'S FRANCHISING, LLC, a Georgia limited liability company with its principal office at 6090 Roswell Road, Atlanta, Georgia 30328 ("Franchisor"), and _____, a _____ with (its principal office) (his/her residence) at _____ ("Developer"), who agree as follows:

RECITALS

Franchisor at a substantial expenditure of time, effort and money has established a system of developing, opening, operating and promoting family entertainment and party facilities that offer groups a large environment that features games, inflatable and play equipment, food and beverages, and related products and services under the name "MONKEY JOE'S" ("Monkey Joe's Facilities" or "Facilities") (the "Monkey Joe's System"). Developer has applied to Franchisor for, and Franchisor desires to grant to Developer, the right to establish and operate a specified number of Monkey Joe's Facilities in accordance with a specified development schedule, all in accordance with the terms and conditions contained herein.

1. GRANT OF DEVELOPMENT RIGHTS

During the term of this Agreement, Franchisor hereby grants to Developer, subject to the terms and conditions contained herein, the right to establish and operate the number of Monkey Joe's Facilities set forth on the development schedule (the "Development Schedule") attached hereto as Exhibit A. Each Monkey Joe's Facility to be established hereunder shall be located in the non-exclusive area described in Exhibit A (the "Area of Responsibility"). Within Franchisor's discretion, Franchisor may consider sites proposed by Developer outside the Area of Responsibility which will count toward the Development Schedule if approved by Franchisor. The operation of any Monkey Joe's Facility established pursuant to this Agreement shall be governed by an individual Monkey Joe's Franchising, LLC Franchise Agreement to be entered into between Franchisor and Developer in accordance with Section 10 below (each, a "Franchise Agreement").

2. TERRITORIAL PROTECTION AND RESERVATION OF RIGHTS

2.1. No Territorial Protection. Developer may establish the Facilities required to be developed hereunder at any location within the Area of Responsibility provided that Franchisor, in its sole discretion, consents in writing to the location, the location is in a state where Franchisor is permitted to sell Monkey Joe's franchises, and the location is not located in a territory in which any other Monkey Joe's franchisee has exclusive rights or a right of first refusal. Developer acknowledges and agrees that by virtue of this Agreement and the Area of Responsibility, Developer does not have exclusive territorial rights, protected territory, or other rights to exclude, control or impose conditions on the location or development of other or future Monkey Joe's Facilities or on Franchisor's activities, except as may be provided in an applicable Franchise Agreement.

2.2. Reservation of Rights. Franchisor retains the right, in its sole discretion, to:

(i) establish and operate, and grant to other franchisees or licensees the right to establish and operate, a Monkey Joe's Facility or any other business using the name "MONKEY JOE'S" and all other trade names, trademarks, service marks, commercial symbols, logos, emblems, signs, slogans and insignia developed for use with the Monkey Joe's System from time to time (collectively, the "Marks"), the Monkey Joe's System or any variation of the Marks or the Monkey Joe's System, in any location (including inside the Area of Responsibility) and on any terms and conditions that Franchisor deems appropriate;

(ii) develop, use and franchise anywhere the rights to any trade names, trademarks, service marks, commercial symbols, logos, emblems, signs, slogans, insignia, patents or copyrights not designated by Franchisor as Marks, for use with similar or different franchise systems for the sale or rental of similar or different products or services than those constituting a part of the Monkey Joe's System, without granting Developer any rights therein;

(iii) establish and operate, and grant to other franchisees or licensees the right to operate, businesses identified by the Marks or other trademarks, service marks, commercial symbols or emblems that offer, ship, sell, rent and provide products or services (including delivery services) to customers located anywhere (including inside the Area of Responsibility) through any distribution channel or method, including Internet (or any other existing or future form of electronic commerce), irrespective of the proximity to any Facilities without compensation to Developer;

(iv) own, operate, franchise or license anywhere, even in close proximity to any Facilities developed hereunder, family entertainment facilities of any other type whatsoever operating under marks other than the Marks; and

(v) engage in any other activity, action or undertaking that Franchisor is not expressly prohibited from taking under this Agreement.

3. TERM

Unless earlier terminated in accordance with the terms and conditions set forth herein, this Agreement shall commence as of the Effective Date and shall automatically expire, without any action on the part of either party being necessary, on the date after operations of the final Facility to be developed hereunder are required to commence as set forth on the Development Schedule.

4. DEVELOPMENT FEE

Upon the execution of this Agreement, Developer shall pay to Franchisor a development fee in an amount set forth on Exhibit A (the “Development Fee”). Developer acknowledges and agrees that the Development Fee is paid as consideration for Franchisor granting Developer the right to establish, open and operate the number of Monkey Joe’s Facilities set forth on the Development Schedule, and that the Development Fee is fully earned by Franchisor at the time this Agreement is executed and shall not be refundable for any reason. The Development Fee shall equal the total of all initial franchise fees (the “Franchise Fees”) due under each of the Franchise Agreements covering the cumulative number of Monkey Joe’s Facilities to be developed hereunder. Provided that a Facility is established in accordance with the Development Schedule, that portion of the Development Fee applicable to the Franchise Fee due under the Franchise Agreement for such Facility shall be credited towards the payment of such Franchise Fee. In the event a Facility is not established in accordance with the Development Schedule, that portion of the Development Fee that would have otherwise been credited towards the payment of the Franchise Fee shall be forfeited and retained by Franchisor. If for any reason this Agreement terminates before all or a portion of the Development Fee has been applied to the Franchise Fees, Franchisor will retain the unapplied portion of the Development Fee to compensate itself for its time, effort and foregone opportunities.

5. FRANCHISE FEES

As long as Developer is in compliance with the Development Schedule, the amount of the Franchise Fee for each Facility to be established hereunder is set forth on Exhibit A. The Franchise Fee for each Facility is to be paid in addition to the Development Fee; provided, however, the Development Fee may be credited against Franchise Fees as provided for in Section 4 above. Each Franchise Fee associated with a Facility, to the extent any is due and owing, will be paid upon the execution and delivery of the Franchise Agreement covering such Facility.

6. DEVELOPMENT SCHEDULE

Developer must (i) establish and open the specified minimum number of Facilities on or before each of the dates specified on the Development Schedule and (ii) maintain the specified minimum number of Facilities in continuous operation as specified on the Development Schedule. Developer’s failure to comply with the foregoing requirements shall constitute a default under this Agreement. Developer understands that time is of the essence with respect to its obligations to comply with the Development Schedule. Developer acknowledges and understands that this Agreement requires it to open Facilities in the future pursuant to the Development Schedule. Developer further acknowledges and understands that the estimated investment requirement and fees and expenses set forth in Franchisor’s franchise disclosure document are subject to increase and change over time, and that future Facilities developed hereunder will most likely require a greater initial investment and increased operating capital than those detailed in the franchise disclosure document provided to Developer in connection with the execution of this Agreement.

7. SITE SELECTION AND ACCEPTANCE

7.1. Site Selection and Acceptance. Developer is responsible for locating proposed sites for the Monkey Joe’s Facilities to be established hereunder. Franchisor, in its sole discretion, may counsel and offer advice to Developer with respect to such site selection; provided, however, in no event shall Franchisor be liable to Developer in connection with providing advice or any such assistance. Upon Developer’s selection of a proposed site for a Facility, Developer shall promptly submit to Franchisor such site, demographic and other data and information about the proposed site as reasonably requested by Franchisor, utilizing such forms as may be required by Franchisor, and a copy of any lease, sublease or purchase agreement to be entered into in connection with the acquisition of such site. Franchisor shall either accept

or reject the proposed site utilizing its then-current site selection policies and procedures. As a condition to accepting a proposed site to be leased or subleased, Developer must execute, and cause the lessor and/or sublessor of the proposed site, to execute the Collateral Assignment of Lease attached hereto as Exhibit B. In addition, Developer acknowledges and agrees that Franchisor's acceptance of a proposed site may be conditioned upon Developer meeting certain other requirements (including, without limitation, the negotiation of additional terms and conditions satisfactory to Franchisor to any lease, sublease or purchase agreement for the proposed site), and if Developer does not, or is unable to meet such requirements within a reasonable time, the site will be deemed rejected. Franchisor has the right to reject any proposed site should Developer be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between Developer and Franchisor. To be effective, any acceptance of a proposed site by Franchisor must be in writing. Developer acknowledges and agrees that Franchisor may reject any proposed site for any reason in its sole discretion, in which event, Developer may not develop a Facility at the rejected site, but must locate another proposed site for the Facility and submit it to Franchisor for acceptance in accordance with this Section 7.1.

7.2. Disclaimer. The acquisition in any manner of any proposed site, whether by option, purchase, lease or otherwise, prior to written acceptance by Franchisor shall be at the sole risk and responsibility of Developer and shall not obligate Franchisor in any way to accept such site or enter into a Franchise Agreement with Developer for the operation of a Monkey Joe's Facility at such site. Developer understands and agrees that Franchisor's acceptance of a site (including any lease, sublease, or purchase agreement) for a Facility is not an assurance or a guarantee by Franchisor of the suitability of such site for a Monkey Joe's Facility or the success of any particular Monkey Joe's Facility established at such site. Developer acknowledges and agrees that the suitability of a site and the success of any Facility depends on many factors outside the control of either Franchisor or Developer (including, without limitation, such factors as interest rates, unemployment rates, demographic trends and the general economic climate) and further principally depends on Developer's efforts in the operation of the Facility. In no event shall Franchisor be liable to Developer in connection with providing any assistance or advice with respect to the selection, construction or development of a site. In no event shall Franchisor be obligated to loan money, guarantee leases, subleases or purchase agreements, provide financing or otherwise become directly involved and/or obligated to Developer or to any third party in respect of such site selection or development of any Facility; these activities and undertakings, financially and otherwise, shall be the exclusive responsibility of Developer.

8. CONSTRUCTION OF THE APPROVED SITE

8.1. Site Approval. Upon Franchisor's written acceptance of a proposed site in accordance with Section 7.1 above, Developer shall proceed promptly to enter into the approved lease, sublease or purchase agreement for the accepted site and obtain all necessary zoning, building and other governmental or regulatory approvals and permits required for the establishment of the Facility. Franchisor shall provide Developer with a set of standard architectural plans and specifications for a prototype Monkey Joe's Facility.

8.2. General Contractor. Developer shall employ a qualified general contractor, who is reputable and experienced building units of similar retail concepts, to supervise, delegate and/or perform (i) the construction and development of the Facility, (ii) the completion of all improvements, (iii) the outfitting of the Facility with furnishings, fixtures and equipment, and (iv) all other services that are designated by Franchisor to be performed by such general contractor in connection with constructing the Facility (the "General Contractor"). Franchisor shall have the right, but not the obligation, to designate a single approved General Contractor or furnish Developer with a list of authorized General Contractors for Developer to employ in the construction of the Facility. Developer shall be solely responsible for payment for all services provided by the General Contractor. Developer shall (a) employ the General Contractor

prior to hiring the Architectural Firm (defined below) and (b) sign such contracts or agreements required to obtain the services of the General Contractor.

8.3. Architectural Firm. Franchisor shall have the right to designate one or more suppliers of design services and/or architecture services (an “Architectural Firm”) to supply such services to the System. At Franchisor’s option, Franchisor may authorize the General Contractor to select an Architectural Firm to assist in developing the Facility. Developer shall employ the Architectural Firm to furnish to Franchisor, for Franchisor’s written acceptance, a proposed preliminary site and construction plans and specifications (which plans and specifications shall have been adopted from the prototype plans provided by Franchisor) for the Monkey Joe’s Facility which, if accepted, shall not thereafter be modified, altered or changed without Franchisor’s prior written consent. Developer shall sign such contracts or agreements required to obtain the services of the Architectural Firm.

8.4. Construction of Facility. Developer shall furnish Franchisor with such information relating to the construction of the Facility and development of the site as Franchisor may from time to time request, which may include, without limitation, copies of all commitments and plans for construction and financing, the contact name, address and telephone number for any lenders and contractors, and a copy of any construction or financing agreements. Developer shall commence construction of the Monkey Joe’s Facility in accordance with the accepted site and construction plans and specifications as soon as possible and shall complete construction thereof, including the acquisition and installation of all equipment specified by Franchisor, and have the Facility ready to open for business within 14 months after Franchisor’s execution of the Franchise Agreement for the Facility. Franchisor and its agents shall have the right to inspect the construction site at any reasonable time without prior notice. To the extent applicable, Developer agrees to give Franchisor written notice (i) at least 10 days before the pouring of the concrete slab for the Facility and (ii) immediately after completion of the electrical and mechanical rough-ins to enable Franchisor to inspect the construction site at such times. Developer shall correct, upon Franchisor’s request and at Developer’s expense, any deviation from any accepted site or construction plans or specifications. Developer acknowledges and agrees that Franchisor has the right to designate the General Contractor and Architectural Firm.

8.5. No liability of Franchisor. Developer acknowledges and agrees that (i) Franchisor assumes no responsibility for the quality of any construction because of any inspections made by it or any reports or recommendations made as a result of such inspections and (ii) Franchisor is not liable for any unsatisfactory performance of any contractor, architect, or supplier (including the General Contractor and Architectural Firm) retained by Developer, even if such contractor, architect, or supplier was designated by Franchisor. Franchisor shall have the option of approving or denying a request from Developer to use a General Contractor and/or Architectural Firm submitted by Developer to develop and construct the Facility. In connection with such request, Developer and the proposed General Contractor and/or Architectural Firm shall submit all information and data as Franchisor may require to consider the request. Franchisor reserves the right to charge Developer a reasonable fee in connection with evaluating a request to use a proposed General Contractor and/or Architectural Firm. Franchisor may deny such request for any reason, including its determination to limit the number of approved General Contractors and/or Architectural Firms.

9. COUNSELING AND ADVISORY SERVICES

During the term of this Agreement, Franchisor may, in its sole discretion, upon request of Developer, furnish counseling and advisory services to Developer with respect to the development, construction and operation of the Monkey Joe’s Facilities to be established hereunder, including consultation and advice regarding the following: (i) parking and building layouts; (ii) traffic planning; (iii) construction and financing of the Facility and other improvements; (iv) games, slide and jump selection and layout; (v) equipment selection and layout; (vi) employee selection and training; (vii) advertising and

promotion; (viii) bookkeeping and accounting; and (ix) purchasing and inventory control. These counseling and advisory services shall occur at Developer's offices, via telephone or email. Franchisor shall provide such assistance at no expense to Developer; provided, however, Franchisor reserves the right, in its sole discretion, to charge Developer a reasonable fee for unusual, extensive or extraordinary assistance requested by Developer and/or require Developer to reimburse Franchisor for expenses incurred by it in connection with providing such counseling and advisory services. In no event shall Franchisor be liable to Developer in connection with providing or failing to provide such services.

10. FRANCHISE AGREEMENTS

Within 10 days after Franchisor approves the proposed site, Developer must (a) sign and deliver to Franchisor two copies of Franchisor's then-current Franchise Agreement for the Facility, together with any ancillary agreements required by the then-current Franchise Agreement and (b) pay Franchisor the applicable Franchise Fee as required therein but consistent with Section 5 above. Once Franchisor has received the signed Franchise Agreement, the Franchise Fee and all ancillary items it requires in satisfactory form, Franchisor will countersign the Franchise Agreement and return one fully executed copy to Developer. Developer understands that any obligation or liability Developer incurs with respect to the proposed Facility or location before Franchisor has approved it in writing and sent Developer the countersigned Franchise Agreement is at Developer's sole risk, and will be Developer's sole responsibility. With respect to any Franchise Agreement executed in connection with this Agreement, Franchisor acknowledges and agrees that:

(i) the maximum amount of required advertising expenditures (expressed as a percentage of gross sales) under any Franchise Agreement shall not exceed the maximum amount of any required advertising expenditures required under the initial Franchise Agreement executed by Developer and Franchisor in connection herewith (the "Initial Franchise Agreement");

(ii) the initial term of each Franchise Agreement shall be 10 years with an option to renew for one additional 10 year period (upon satisfaction of the conditions for renewal set forth therein);

(iii) neither the distance nor the length of time of the post-termination covenant not to compete in any Franchise Agreement shall be increased from those set forth in the Initial Franchise Agreement;

(iv) the formula for determining the price to be paid by Franchisor for any of Developer's assets upon termination of any Franchise Agreement shall not be changed from that set forth in the Initial Franchise Agreement; and

(v) no material change in the termination provisions of a Franchise Agreement shall be made from those set forth in the Initial Franchise Agreement.

Developer shall comply with Franchisor's then-current franchising policies and procedures for execution of each Franchise Agreement. Franchisor shall be under no obligation to execute a Franchise Agreement unless Developer has complied in a timely manner with all of the terms and conditions of this Agreement and has satisfied all requirements set forth herein to the execution of the Franchise Agreement. In addition, Franchisor shall be under no obligation to execute a Franchise Agreement if Developer is in breach or default of any other Franchise Agreement, Market Development Agreement or any other agreement between Franchisor and Developer. If any Franchise Agreement contemplated by this Agreement is executed by Franchisor, it shall supersede this Agreement and govern the relationship between the parties hereto with respect to the Facility that is the subject matter of such Franchise Agreement.

11. NO RIGHT TO OPERATE OR USE TRADEMARKS

Developer acknowledges and agrees that (i) until a Franchise Agreement has been entered into for a specific Facility, Developer shall not have, nor be entitled to exercise, any of the rights, powers and privileges granted by the Franchise Agreement, including, without limitation, the right to use the Marks or the Monkey Joe's System; (ii) the execution of this Agreement shall not be deemed to grant any such rights, powers or privileges to Developer; and (iii) Developer may not under any circumstances commence operations of any Monkey Joe's Facility prior to Franchisor's execution of a Franchise Agreement for that particular Facility.

12. TERMINATION

12.1. Termination by Developer. Developer may terminate this Agreement if Developer is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such material breach within 90 days after written notice thereof is delivered to Franchisor. Notwithstanding the foregoing, if the breach is curable but is of a nature which cannot reasonably be cured within such 90 day period and Franchisor has commenced and is continuing to make good faith efforts to cure such breach, Franchisor shall be given an additional 60 day period to cure the same, and this Agreement shall not terminate. In the event of termination by Developer, all post-termination obligations of Developer described herein shall not be waived but shall be strictly adhered to by Developer.

12.2. Termination by Franchisor without a Cure Period. Franchisor may immediately terminate this Agreement upon written notice to Developer, without opportunity to cure, if:

(i) Developer files a petition under any bankruptcy or reorganization law, becomes insolvent, or has a trustee or receiver appointed by a court of competent jurisdiction for all or any part of its property;

(ii) Developer seeks to effect a plan of liquidation, reorganization, composition or arrangement of its affairs, whether or not the same shall be subsequently approved by a court of competent jurisdiction; it being understood that in no event shall this Agreement or any right or interest hereunder be deemed an asset in any insolvency, receivership, bankruptcy, composition, liquidation, arrangement or reorganization proceeding;

(iii) Developer has an involuntary proceeding filed against it under any bankruptcy, reorganization, or similar law and such proceeding is not dismissed within 60 days thereafter;

(iv) Developer makes a general assignment for the benefit of its creditors;

(v) Developer fails to pay when due any amount owed to Franchisor or its affiliates or subsidiaries, whether under this Agreement or not, and Developer does not correct such failure within 10 calendar days after written notice thereof is delivered to Developer;

(vi) Developer fails to pay when due any amount owed to any creditor, supplier or lessor of any Facility developed hereunder or any taxing authority for federal, state or local taxes (other than amounts being bona fide disputed through appropriate proceedings) and Developer does not correct such failure within 10 calendar days after written notice is delivered thereof to Developer;

(vii) Developer fails to establish and open Facilities in accordance with the Development Schedule;

(viii) Developer fails to maintain in continuous operation the minimum cumulative number of Facilities required by the Development Schedule to be in operation during the applicable time period;

(ix) Developer or any of Developer's owners are convicted of or plead no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of the Monkey Joe's System and the goodwill associated with the Marks;

(x) Developer makes a material misrepresentation to Franchisor at any time before or after the Effective Date;

(xi) Developer makes an unauthorized Transfer of this Agreement, the franchise, any Facility, or an ownership interest in Developer;

(xii) Developer or any Bound Party (as defined below) breaches or fails to comply fully with Section 14 below;

(xiii) Developer fails to comply with any federal, state or local law or regulation applicable to the operation of the franchise;

(xiv) Developer is dissolved either voluntarily or involuntarily;

(xv) Developer commits a breach or default under any Franchise Agreement or any other agreement between Developer and Franchisor and the breach or default is not cured during the time period required under such Franchise Agreement or other agreement, regardless of whether Franchisor in fact terminates such Franchise Agreement or other agreement; or

(xvi) Developer has received at least three default notices from Franchisor within a 12 month period, even if such default is subject to a right to cure or is cured after notice is delivered to Developer.

12.3. Termination by Franchisor with a Cure Period. Franchisor shall have the right to terminate this Agreement upon 30 days written notice if Developer fails to comply with any other provisions of this Agreement and such failure remains uncured in Franchisor's sole discretion; provided, however, if the breach is curable but is of a nature which cannot reasonably be cured within such 30 day period and Developer has commenced and is continuing to make good faith efforts to cure such breach, Developer shall be given an additional 30 day period to cure the same, and this Agreement shall not terminate.

12.4. Effect of Expiration or Termination. Upon the expiration or termination of this Agreement for any reason, any and all rights granted to Developer hereunder shall be extinguished immediately, and Developer shall not be relieved of any of its obligations, debts or liabilities hereunder. All rights and licenses granted to Developer hereunder to develop Facilities shall revert to the Franchisor and the Franchisor shall have the right to develop, or license others to develop, Facilities. Developer shall have no further rights to develop further Facilities and Developer shall immediately cease all use of the Marks, except as permitted under the terms of a fully executed Franchise Agreement, which is in effect at the time of the termination or expiration. With respect to such then-effect Franchise Agreements, Developer shall retain its interest as a franchisee thereunder, provided that Developer is not in default under such Franchise Agreements. Developer shall pay all sums due to Franchisor or its affiliates. Upon the termination or expiration of this Agreement, Developer shall also undertake the following: (i) strictly comply with the post-termination/post-expiration covenant not to compete set forth herein; and (ii) continue to abide by those restrictions pertaining to the use of Franchisor's confidential information and proprietary information

as set forth herein. The expiration and termination of this Agreement will be without prejudice to the rights of the Franchisor against Developer and the expiration or termination will not relieve Developer of any of its obligations to Franchisor existing at the time of such expiration or termination, or terminate those obligations of the Developer which by their nature survive the expiration or termination of this Agreement.

13. ASSIGNMENT

13.1. Assignment by Franchisor. This Agreement may be unilaterally assigned by the Franchisor and shall inure to the benefit of its successors and assigns. Developer agrees and affirms that Franchisor may sell itself, its assets, the Marks and/or the Monkey Joe's System to a third-party; may go public, may engage in private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. Developer further agrees and affirms that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or noncompetitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Monkey Joe's Facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Developer acknowledges may be proximate to any of its Facilities. With regard to any of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof) and the Monkey Joe's System and/or the loss of association with or identification of Franchisor under this Agreement. If Franchisor assigns its rights in this Agreement, nothing in this Agreement shall be deemed to require Franchisor to remain in the Monkey Joe's business or to offer or sell any products or services to Developer.

13.2. Assignment by Developer. Developer shall not sub franchise, sell, assign, transfer, merge, convey or encumber (each, a "Transfer") this Agreement or any of its rights or obligations hereunder, or suffer or permit any such Transfer of this Agreement or its rights or obligations hereunder to occur by operation of law or otherwise without the prior express written consent of Franchisor. In addition, if Developer is a corporation, limited liability company, partnership, business trust, or similar association or entity, the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, may not Transfer their equity interests in such corporation, limited liability company, partnership, business trust, or similar association or entity, without the prior written consent of Franchisor. Furthermore, in the event that any shareholder, member, partner, investor or other equity holder of Developer (the "Equity Holder") is a corporation, limited liability company, partnership, business trust, or similar association or entity, the interests of the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, in such Equity Holder, may not be Transferred, without the prior written consent of Franchisor. Notwithstanding anything to the contrary in this Agreement, Franchisor shall have the right to approve or disapprove a Transfer under this Section 13.2 in its sole discretion. Any Transfer in violation of this Section shall be void and of no force and effect.

13.3. Death or Disability of Developer. Upon Developer's death or Disability (as such term is hereinafter defined), this Agreement or the ownership interest of any deceased or disabled shareholder, partner, member or other equity holder of the Developer or an Equity Holder must be Transferred to a party approved by Franchisor. Any Transfer, including, without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for Transfers set forth in Section 13.4 below. Franchisor shall not unreasonably withhold its consent to the Transfer of this Agreement or any ownership interest to the deceased or disabled Developer's or Equity Holder's spouse, heirs or members of his or her immediate family, provided all requirements of Section 13.4 have been complied with (except payment of the transfer fee, which shall not apply to such Transfers). A "Disability" shall have occurred with respect to Developer if Developer, or, if Developer is a corporation, partnership or

limited liability company, its controlling shareholder, partner, member or other equity holder, is unable to actively participate in its activities as Developer hereunder for any reason for a continuous period of six months. As used in this Section 13.3, "Developer" may include a disabled or deceased controlling shareholder, partner or member where the context so requires.

13.4. Approval of Assignment. Franchisor's approval of any Transfer is, in all cases, contingent upon the following:

(i) the purchaser and/or the controlling persons of the purchaser having a satisfactory credit rating, being of good moral character, having business qualifications satisfactory to Franchisor, and being willing to enter into an agreement in writing to assume and perform all of Developer's duties and obligations hereunder and/or enter into a new Market Development Agreement for the Area of Responsibility, if so requested by Franchisor, and agreeing to enter into any and all agreements with Franchisor that are being required of all new market developers, including a guaranty agreement and any other agreement which may require payment of different or increased fees from those paid under this Agreement;

(ii) the terms and conditions of the proposed transfer (including, without limitation, the purchase price) being satisfactory to Franchisor;

(iii) all monetary obligations (whether hereunder or not) of Developer to Franchisor or Franchisor's affiliates or subsidiaries being paid in full;

(iv) Developer not being in default hereunder or any other agreement between Developer and Franchisor, including any Franchise Agreement;

(v) Developer and its owners executing a general release of any and all claims against Franchisor and its affiliates, subsidiaries, members, managers, officers, directors, employees and agents, in a form satisfactory to Franchisor;

(vi) Developer paying to Franchisor a transfer fee of \$5,000 plus reimbursement for all legal, training and other expenses incurred by Franchisor in connection with the Transfer;

(vii) Developer first offering to sell such interest to Franchisor pursuant to Section 15 of this Agreement and the same having been declined in the manner therein set forth; and

(viii) the Marks not being used in any advertising for any Transfer prohibited by Sections 13.2 and 13.3 hereof.

13.5. Removal of General Partner. If Developer is a limited partnership, Developer may not remove or appoint, or permit the limited partners to remove or appoint, a new or successor general partner without the prior written consent of Franchisor (even if such appointment is due to the resignation, death or disability of the General Partner).

14. RESTRICTIVE COVENANTS

14.1. Covenants Not to Compete.

(i) Non-Competition during Term. In addition to and not in limitation of any other restrictions on Developer contained herein, Developer and Developer's spouse, and, if Developer is not an individual, its shareholders, members, partners and managers, as applicable, and their spouses (each, a

“Bound Party”), agree that they will not, during the term of this Agreement, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business (as defined below), regardless of location or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business, regardless of location.

(ii) Post-Term Non-Competition. In addition to and not in limitation of any other restrictions on Developer contained herein, Developer and the Bound Parties agree that they will not, for one year following the effective date of termination or expiration of this Agreement for any reason, or following the date of a Transfer by Developer, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business which, in either case, is located or operating within a three mile radius of any Monkey Joe’s Facility.

(iii) General. For purposes of this Agreement, the term “Competitive Business” means any business operating, or granting franchises or licenses to others to operate, a business that offers games, inflatable and play equipment, party areas and/or other products or services offered at Monkey Joe’s Facilities (other than another Monkey Joe’s Facility operated by Developer under license from Franchisor). Neither Developer nor the other Bound Parties will be prohibited from owning securities in a Competitive Business if they are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of the number of shares of that class of securities which are issued and outstanding. The parties acknowledge that the covenants contained in Section 14.1 are based on the reason and understanding that Developer and the Bound Parties will possess knowledge of Franchisor’s business and operating methods and confidential information, disclosure and use of which would prejudice the interest of Franchisor and its franchisees. Developer further understands and acknowledges the difficulty of ascertaining monetary damages and the irreparable harm that would result from breach of these covenants. If any part of this restriction is found to be unreasonable in time or distance, such time or distance may be reduced by appropriate order of the court to that deemed reasonable. Franchisor shall, as a matter of course, receive injunctive relief to enforce such covenants in addition to any other relief to which it may be entitled at law or in equity. Franchisor shall receive such injunctive relief without the necessity of posting bond or other security, such bond or other security being hereby waived.

14.2. Non-Solicitation of Employees. Developer and the Bound Parties agree that while this Agreement is in effect and for one year after expiration or termination of this Agreement for any reason, or following the date of a Transfer by Developer, they will not, directly or indirectly, solicit or attempt to solicit, or otherwise interfere with or disrupt the employment relationship between Franchisor and any of its employees or between any other Monkey Joe’s franchisee and its employees.

14.3. Trade Secrets and Confidential Information.

(i) Developer acknowledges and agrees that in connection with the operation of Monkey Joe’s Facilities and the Monkey Joe’s System, Franchisor has developed at great expense competitively sensitive proprietary and confidential information which are not commonly known by or available to the public. This proprietary and confidential information does not include any information that (a) is commonly known by or available to the public; (b) has been voluntarily disclosed to the public by Franchisor; (c) been independently developed or lawfully obtained by Developer; or (d) has otherwise entered the public domain through lawful means. All information which comprises the Monkey Joe’s System including the information and data contained in any of Franchisor’s operations manuals will be presumed to be confidential information of Franchisor.

(ii) Developer and each Bound Party agree that while this Agreement remains in effect such party will not, directly or indirectly, disclose or publish to any party, or copy or use for such party's own benefit, or for the benefit of any other party, any of Franchisor's proprietary or confidential information, except as required to carry out Developer's obligations under this Agreement or as Franchisor has otherwise expressly approved in writing. All proprietary and confidential information of Franchisor is the sole and exclusive property of Franchisor. Developer and each Bound Party agree that the restriction contained in the preceding sentence will remain in effect with respect to the confidential information for five years following termination or expiration of this Agreement for any reason; provided, however, if the confidential information rises to the level of a trade secret, then such restriction shall remain in effect until such time as the information does not constitute a trade secret. Developer also agrees that it and all of its employees and agents will take appropriate steps to protect Franchisor's confidential information from any unauthorized disclosure, copying or use. At any time upon Franchisor's request, and in any event upon termination or expiration of this Agreement, Developer will immediately return any copies of documents where there are materials containing confidential information and will take appropriate steps to permanently delete and render unusable any confidential information stored electronically.

14.4. Personal Covenants of Certain Bound Parties. As a condition to the effectiveness of this Agreement, and at the time Developer delivers this signed Agreement to Franchisor, each Bound Party of Developer must sign and deliver to Franchisor the Personal Covenants attached hereto as Exhibit C (the "Personal Covenants"), agreeing to be bound personally by all the provisions of Sections 14.1, 14.2 and 14.3 hereof. If there are any changes in the identity of any such Bound Party while this Agreement is in effect, Developer must notify Franchisor promptly and make sure the new Bound Party signs and delivers to Franchisor the Personal Covenants.

14.5. Agreements by Other Third Parties. As a condition to Franchisor's execution of this Agreement, Developer, if requested by Franchisor, shall cause each of its management and supervisory employees and other employees to whom disclosures of confidential information are made to execute a noncompetition, nonsolicitation and/or nondisclosure agreement in the form(s) prescribed by Franchisor from time to time.

14.6. Reasonable Restrictive Covenants. Developer acknowledges and agrees that (i) the covenants and restrictions in this Section 14 are reasonable, appropriate and necessary to protect the Monkey Joe's System, other franchisees and the legitimate interest of the Franchisor, and (ii) do not cause undue hardship on Developer or any of the other individuals required by this Section 14 to comply with the covenants and restrictions.

15. RIGHT OF FIRST REFUSAL

If during the term of this Agreement, Developer shall receive a bona fide offer from a prospective purchaser for any interest in Developer or any Facilities (whether by sale of assets, sale of equity interest, merger, consolidation or otherwise), it shall offer the same to Franchisor in writing at the same price and on the same terms or the monetary equivalent; which offer Franchisor may accept at any time within 30 days after receipt thereof. If the parties cannot agree on a reasonable monetary equivalent, an independent appraiser designated by Franchisor shall determine the monetary equivalent and the appraiser's determination will be final. If Franchisor declines, or does not within such 30 day period accept, such offer, then Developer may make such Transfer to such purchaser (provided Franchisor approves of such purchaser in accordance with Section 13.2 and subject to compliance with Section 13.4), but not at a lower price nor on more favorable terms than have been offered to Franchisor. If Developer fails to complete such Transfer within 90 days following the refusal or failure to act by Franchisor, then Developer may not complete such Transfer without first offering the same to Franchisor again as provided above. The parties recognize that the terms of this Section 15 do not apply to a sale and subsequent leaseback of any site of any Facility or

any furnishings or equipment used thereon, or any other Transfer of the site of any Facility or the furnishings or equipment thereon in connection with any bona fide financing plan. In no event shall Developer or any Equity Holder offer any interest in this Agreement or in Developer or any Equity Holder for Transfer at public auction, nor at any time shall an offer be made to the public to Transfer this Agreement or any interest in Developer or any Equity Holder, through the medium of advertisement, either in the newspapers or otherwise, without having first obtained the written consent of Franchisor to such advertisement or publication.

16. OWNERSHIP OF DEVELOPER

Attached hereto as Exhibit D is a description of the legal organization of Developer (whether a corporation, limited, liability company, partnership or otherwise), the names and addresses of each person or entity owning a 10% or greater interest in Developer (the “Principal Owners”) and the percentage of such interest owned by such person or entity. Developer agrees to notify Franchisor in writing whenever there is any change in the organizational structure or ownership interest of Developer as set forth on Exhibit D. Franchisor may require each Principal Owner to execute the Guaranty Agreement attached hereto as Exhibit E.

17. SUCCESSORS AND THIRD PARTY BENEFICIARIES

This Agreement and the covenants, restrictions and limitations contained herein shall be binding upon and shall inure to the benefit of Franchisor and its successors and assigns and shall be binding upon and shall inure to the benefit of Developer and its permitted heirs, successors and assigns. Nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. This Agreement is, however, intended to bind the Bound Parties to the extent set forth in this Agreement.

18. CONSTRUCTION

All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named. Except where this Agreement expressly obligates Franchisor not to unreasonably withhold its approval of any of Developer’s actions or requests, Franchisor has the absolute right, in its sole and arbitrary discretion, to refuse any request Developer makes or to withhold its approval of any of Developer’s proposed or effected actions that require Franchisor’s approval.

19. INTERPRETATION AND HEADINGS

The parties agree that this Agreement should be interpreted according to its fair meaning. Developer waives to the fullest extent possible the application of any rule which would construe ambiguous language against Franchisor as the drafter of this Agreement. The words “include,” “includes” and “including” when used in this Agreement will be interpreted as if they were followed by the words “without limitation”. References to section numbers and headings will refer to sections of this Agreement unless the context indicates otherwise. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

20. NOTICES

Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally, by certified, express or registered mail, or by an overnight delivery service (e.g., Federal or Airborne Express), postage prepaid, addressed to the party to be notified at the respective address first above written, or at such other address or addresses as the parties may from time to time designate in writing. Notices shall be deemed delivered on the date shown on the return receipt or in the delivery service's records as the date of delivery or on the date of first attempted delivery, if actual delivery cannot for any reason be made.

21. GOVERNING LAW AND ENFORCEMENT

21.1. Governing Law. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §1 ET SEQ.). EXCEPT TO THE EXTENT PROVIDED BY THE FEDERAL ARBITRATION ACT AS REQUIRED HEREBY, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §1051 ET SEQ.) OR OTHER APPLICABLE FEDERAL LAW, THE TERMS OF THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA WITHOUT REGARD TO ITS CONFLICTS OF LAWS PROVISIONS; PROVIDED, HOWEVER, THAT THE LAW OF THE STATE OF DEVELOPER'S PRINCIPAL PLACE OF BUSINESS SHALL APPLY TO THE CONSTRUCTION AND ENFORCEMENT OF THE OBLIGATIONS SET FORTH IN SECTIONS 14.1 AND 14.2 HEREOF, WITHOUT REGARD TO ITS CONFLICTS OF LAWS. FOR ACTIONS THAT ARE NOT SUBJECT TO MANDATORY ARBITRATION UNDER SECTION 21.2, THE DEVELOPER HEREBY SUBMITS AND IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS FOR THE DISTRICT WHERE FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE IS LOCATED ON THE DATE OF FILING OF THE ACTION AND AGREES NOT TO RAISE, AND HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION BASED UPON *FORUM NON CONVENIENS* OR ANY OTHER OBJECTION IT MAY NOW HAVE OR HEREAFTER HAVE TO SUCH JURISDICTION OR VENUE. FURTHER, NOTHING HEREIN CONTAINED SHALL BAR FRANCHISOR'S RIGHT TO OBTAIN INJUNCTIVE RELIEF AGAINST THREATENED CONDUCT THAT WILL CAUSE IRREPARABLE HARM, UNDER THE USUAL EQUITY RULES INCLUDING THE APPLICABLE RULES FOR OBTAINING SPECIFIC PERFORMANCE, RESTRAINING ORDERS AND PRELIMINARY INJUNCTIONS.

21.2. Arbitration. EXCEPT TO THE EXTENT FRANCHISOR SEEKS INJUNCTIVE OR OTHER EQUITABLE RELIEF TO ENFORCE PROVISIONS OF THIS AGREEMENT, AND EXCEPT FOR CONTROVERSIES, CLAIMS OR DISPUTES BASED ON DEVELOPER'S FAILURE TO PAY ANY FEES DUE HEREUNDER WHEN DUE; DEVELOPER'S VIOLATION OF ANY HEALTH OR SAFETY LAW; OR DEVELOPER'S USE OF THE MARKS, ALL CONTROVERSIES, CLAIMS OR DISPUTES BETWEEN FRANCHISOR AND DEVELOPER ARISING OUT OF OR RELATING TO (I) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER, (II) THE RELATIONSHIP BETWEEN DEVELOPER AND FRANCHISOR, OR (III) THE SCOPE AND VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER (INCLUDING THE SCOPE AND VALIDITY OF THE ARBITRATION OBLIGATIONS UNDER THIS SECTION, WHICH FRANCHISOR AND DEVELOPER ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT A COURT) SHALL BE DETERMINED BY ARBITRATION WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA. SUCH ARBITRATION SHALL BE CONDUCTED BEFORE THREE ARBITRATORS (UNLESS THE PARTIES AGREE TO ONE ARBITRATOR) CHOSEN AS FOLLOWS: FRANCHISOR AND DEVELOPER SHALL EACH SELECT ONE ARBITRATOR. THESE TWO ARBITRATORS SHALL MUTUALLY AGREE ON ONE

OTHER ARBITRATOR TO ACT AS THE THIRD ARBITRATOR. THE DECISION OF THE ARBITRATORS SHALL BE FINAL AND BINDING UPON ALL PARTIES CONCERNED. SUCH DECISION SHALL BE RENDERED WITHIN 30 DAYS OF THE CLOSE OF THE ARBITRATION HEARING RECORD. THE ARBITRATION PROCEEDING SHALL BE CONDUCTED AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA. IN ANY ARBITRATION PROCEEDING, FRANCHISOR AND DEVELOPER AGREE THAT EACH MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY THE THEN CURRENT RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES. ANY CLAIM NOT SUBMITTED OR FILED AS REQUIRED IS FOREVER BARRED. THE ARBITRATOR MAY NOT CONSIDER ANY SETTLEMENT DISCUSSIONS OR OFFERS THAT MIGHT HAVE BEEN MADE BY EITHER PARTY. FRANCHISOR RESERVES THE RIGHT, BUT HAS NO OBLIGATION, TO ADVANCE DEVELOPER'S SHARE OF THE COSTS OF ANY ARBITRATION PROCEEDING IN ORDER FOR SUCH ARBITRATION PROCEEDINGS TO TAKE PLACE AND BY DOING SO WILL NOT BE DEEMED TO HAVE WAIVED OR RELINQUISHED FRANCHISOR'S RIGHT TO SEEK THE RECOVERY OF THOSE COSTS IN ACCORDANCE WITH SECTION 22. THE ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THE ARBITRATION PROCEEDING MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS SECTION OR SECTION 24, IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS SECTION 21.2 THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH THIS SECTION 21 (EXCLUDING THIS SECTION 21.2). THE FEDERAL RULES OF CIVIL PROCEDURE, AS THEY RELATE TO PRETRIAL DISCOVERY, AND THE FEDERAL RULES OF EVIDENCE SHALL APPLY TO THE ARBITRATION. IN ALL OTHER RESPECTS, THE RULES OF THE AAA AND THE UNITED STATES ARBITRATION ACT SHALL CONTROL. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATION MAY BE ENTERED IN ANY COURT HAVING COMPETENT JURISDICTION THEREOF.

21.3. Damages And Timing Of Claims. THE PARTIES AGREE THAT NEITHER PARTY SHALL HAVE THE RIGHT TO RECEIVE OR COLLECT PUNITIVE OR EXEMPLARY DAMAGES FROM THE OTHER PARTY. ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN DEVELOPER AND FRANCHISOR, OR THE OPERATION OF THE FRANCHISE AND THE FACILITY BROUGHT BY ANY PARTY TO THIS AGREEMENT AGAINST ANOTHER PARTY TO THIS AGREEMENT, SHALL BE COMMENCED WITHIN ONE YEAR FROM THE DISCOVERY OF THE FACTS GIVING RISE TO ANY SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED; PROVIDED, HOWEVER, THAT THIS TIME LIMITATION SHALL NOT APPLY TO ANY UNPERFORMED FINANCIAL OBLIGATION OF DEVELOPER TO FRANCHISOR. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW. DEVELOPER AND THE BOUND PARTIES AGREE THAT THEIR SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST FRANCHISOR AND ITS SUCCESSORS AND ASSIGNS. DEVELOPER AND THE BOUND PARTIES AGREE THAT THE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS OF FRANCHISOR AND ITS AFFILIATES SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN FRANCHISOR AND DEVELOPER AND ANY BOUND PARTY.

22. COSTS AND ATTORNEYS' FEES

If Franchisor incurs any expenses in connection with Developer's failure to pay any amounts it owes when due or otherwise to comply with this Agreement, Developer agrees to reimburse Franchisor for any of the costs and expenses which Franchisor incurs, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees.

23. WAIVER

No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or a different kind; nor shall any delay or omission of Franchisor to exercise any right arising from any such default affect or impair Franchisor's rights as to such default or any future default.

24. SEVERABILITY

If any term, restriction or covenant of this Agreement is deemed invalid or unenforceable, all other terms, restrictions and covenants and the application thereof to all persons and circumstances subject hereto shall remain unaffected to the extent permitted by law; and if any application of any term, restriction or covenant to any person or circumstance is deemed invalid or unenforceable, the application of such terms, restriction or covenant to other persons and circumstances shall remain unaffected to the extent permitted by law.

25. RELATIONSHIP OF THE PARTIES

It is the express intention of the parties hereto that Developer is and shall be an independent contractor under this Agreement, and no partnership, joint venture, fiduciary relationship or other special relationship shall exist between Developer and Franchisor. This Agreement does not constitute Developer as the agent, legal representative or employee of Franchisor for any purpose whatsoever, and Developer is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, Franchisor or in any way to bind Franchisor. Developer agrees not to incur or contract for any debt or obligation on behalf of the Franchisor, or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor, or be detrimental to the good name and reputation of Franchisor or any other developers of Franchisor.

26. DELEGATION BY FRANCHISOR

Franchisor shall have the right to delegate performance of any or all of its obligations and duties hereunder. Developer hereby agrees to such delegation.

27. REVIEW OF AGREEMENT

Developer acknowledges that it has had a copy of the Franchisor's franchise disclosure document for at least 14 calendar days before signing any franchise or related agreement; or at least 14 calendar days before the payment of any consideration to Franchisor. Developer has had the opportunity to have this Agreement and the business offered hereunder reviewed by professionals of Developer's choosing prior to executing this Agreement.

28. NO RIGHT OF SET OFF

Developer agrees that it will not set off or withhold payment of any amounts it owes Franchisor on the grounds of Franchisor's alleged nonperformance of any of Franchisor's obligations under this Agreement or for any other reason. Developer agrees that all such claims will, if not otherwise resolved, be submitted to arbitration as provided in Section 21.2.

29. CUMULATIVE RIGHTS

The rights granted hereunder are cumulative, and no exercise or enforcement by either party of any right or remedy hereunder will preclude the exercise or enforcement of any other right or remedy to which either Franchisor or Developer are entitled.

30. ENTIRE AGREEMENT

This Agreement and any addendum, schedule or exhibit attached hereto contains the entire agreement between the parties hereto relating to the development of the Facilities and the franchised business and no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, have been made or relied upon by the parties other than those set forth herein. No agreement altering, changing, waiving or modifying any of the terms and conditions of this Agreement shall be binding upon either party unless and until the same is made in writing and executed by all interested parties. This Agreement may not be amended or supplemented by a course of conduct. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Developer to waive reliance on any representation that Franchisor made in its most recent disclosure document (including its exhibits and amendments) that Franchisor delivered to Developer or Developer's representative.

31. COUNTERPARTS

This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original.

32. DEVELOPER'S ACKNOWLEDGMENTS

Developer assumes sole responsibility for the operation of the business franchised hereunder and acknowledges that, while Franchisor may furnish advice and assistance to Developer from time to time during the term of this Agreement, Franchisor has no legal or other obligation to do so except as specifically set forth herein. In addition, Developer acknowledges that Franchisor does not guarantee the success or profitability of the business franchised hereunder in any manner whatsoever and shall not be liable therefor; in particular Developer understands and acknowledges that the success and profitability of the business franchised hereunder depend on many factors outside the control of either Franchisor or Developer (such as interest rates, unemployment rates, demographic trends and the general economic climate) and there are significant risks in any business venture, but principally depend on Developer's efforts in the operation of the business and the primary factor in Developer's success or failure in the business franchised hereunder will be Developer's own efforts. IN ADDITION, DEVELOPER ACKNOWLEDGES AND AGREES THAT FRANCHISOR AND ITS REPRESENTATIVES HAVE MADE NO REPRESENTATIONS OR WARRANTIES TO DEVELOPER OTHER THAN OR INCONSISTENT WITH THE MATTERS SET FORTH IN THIS AGREEMENT, AND THAT DEVELOPER HAS UNDERTAKEN THIS VENTURE SOLELY IN RELIANCE UPON THE MATTERS SET FORTH HEREIN AND DEVELOPER'S OWN INDEPENDENT INVESTIGATION OF THE MERITS OF THIS VENTURE.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

MONKEY JOE'S FRANCHISING, LLC

By:_____

Name:_____

Title:_____

DEVELOPER:

If an Individual:

Signature:_____

Printed Name:_____

If other than an Individual:

[INSERT ENTITY NAME]

By:_____

Name:_____

Title:_____

Exhibit A

Area of Responsibility, Development Schedule, and Development Fee

The Area of Responsibility Per Section 1: _____

Development Schedule: Developer agrees to have open and operating at least the following minimum, cumulative number of Facilities by the date specified:

| Cumulative Number of Facilities to be Developed | Last Date to Establish and Open the Facility | Franchise Fee |
|-------------------------------------------------|----------------------------------------------|---------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |

Total Development Fee Per Section 4: \$ _____

Exhibit B

Collateral Assignment of Lease

(See Attached)

COLLATERAL ASSIGNMENT OF LEASE

This Collateral Assignment of Lease entered into as of this ____ day of _____, 20__, by and between _____, ("Tenant") party of the first part; and Monkey Joe's Franchising, LLC, a Georgia limited liability company ("Franchisor") and party of the second part; witnesseth that:

WHEREAS, by Lease (the "Lease") dated the ____ day of _____, 20__, _____ ("Lessor") leased unto Tenant, the premises (the "Leased Premises") briefly described as in copy of Lease attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, Franchisor has a vested interest in the successful operation of the Leased Premises by virtue of a certain Franchise Agreement between Franchisor and Tenant, dated _____ (the "Franchise Agreement");

NOW THEREFORE, for and in consideration of the making the Franchise Agreement between Franchisor and Tenant, Tenant does hereby assign, transfer and set over unto Franchisor, with the right to reassign, all of their rights, title and interest in and to the Lease and in and to the Leased Premises; it being nevertheless expressly understood and agreed that this Assignment of Lease is made to Franchisor upon the following terms, covenants, limitations, and conditions:

1. Tenant shall retain possession of the leased premises in accordance with the terms and conditions of the Lease so long as no default or breach occurs under the Lease, in any agreement evidencing said Lease or the Franchise Agreement;

2. If default or breach be made by Tenant in the performance of the Lease or the Franchise Agreement or the Franchise Agreement is Terminated, then Franchisor shall have the option of taking over the Leased Premises, provided, however, that in the event Franchisor elects to exercise said option of taking over the Leased Premises for the purpose of operating the same, written notice of its election so to do shall be mailed promptly by Franchisor to Lessor. Franchisor shall not have the right of possession of the Leased Premises until such notice is received by Lessor. Upon the receipt of notice of exercise of such option, Franchisor shall be deemed to be substituted as the Tenant/Lessee in said Lease in the place and instead of Tenant, and shall be deemed to have assumed expressly all of the terms, covenants, and obligations of the Lease theretofore applicable to the party of the first part, and shall likewise be entitled to enjoy all of the rights and privileges granted to Tenant under the terms and conditions of the Lease, with the right to reassign same to any tenant or franchisee who can demonstrate a net worth of \$400,000, or otherwise to a subsidiary/affiliate of Franchisor;

3. That Franchisor shall have the right, but shall not be obligated, to cure any default by Tenant under the Lease within Tenant's cure period under the Lease, or within thirty (30) days after the expiration of Tenant's cure period under the Lease, provided that prior to the expiration of Tenant's cure period under the Lease, Franchisor notifies Landlord in writing that Franchisor intends to cure such default;

4. It is understood and agreed that so long as Franchisor shall not have exercised its option under the foregoing provisions hereof as to the Leased Premises, Franchisor shall not be liable for rent or any obligation of Tenant under and by virtue of or in connection with the Lease, and Tenant shall remain liable for such rent and obligations;

5. Tenant and Lessor shall not, by agreement or alone, modify or terminate this lease without written consent of Franchisor;

6. The parties hereby agree that in the event Lessor files for protection under the Bankruptcy Code, Tenant has the right to assign to Franchisor its right to elect to accede to Lessor's bankruptcy rejection of the Lease; and

7. In order to secure Tenant's performance of the Lease and the Franchise Agreement, and in order to facilitate the agreements between Franchisor and Tenant set forth hereunder, Franchisor shall have an interest superior to Lessor on all Tenant's Trade Fixtures. For purposes of this Assignment, "Trade Fixtures" shall be defined as all merchandise, signs, fixtures, furniture, furnishings, partitions and equipment installed and owned by Tenant.

FRANCHISOR:

Monkey Joe's Franchising, LLC

BY: _____
<<Type Name of Signor>>

TITLE: <<Type Title of Signor>>

TENANT:

<<Insert Name of Tenant>>

CONSENT OF LESSOR:

<<Type Name of Lessor>>

BY: _____
<<Type Name of Signor>>

TITLE: <<Type Title of Signor>>

ATTEST: _____
Secretary

[CORPORATE SEAL]

Exhibit C

Personal Covenants

(See Attached)

PERSONAL COVENANTS

Each of the undersigned ("you") agrees that:

1. All capitalized terms used but not defined in this Personal Covenants shall have the meaning set forth in that certain Monkey Joe's Franchising, LLC Market Development Agreement, dated as of the ____ day of _____, 201__ (the "Development Agreement"), by and between Monkey Joe's Franchising, LLC ("Franchisor"), and _____ ("Developer").

2. You are a Bound Party.

3. As an inducement to Franchisor to enter into the Development Agreement, and in consideration of the direct and personal benefits you will derive from the Development Agreement, you agree that: (i) you have read and understand all the provisions of Sections 14.1, 14.2, 14.3 and 21.3 of the Development Agreement; (ii) you will be personally bound by all of the obligations and covenants of Developer contained in Sections 14.1, 14.2, 14.3 and 21.3 as if such obligations and covenants were made and given personally by you directly to Franchisor; and (iii) such obligations and covenants are fair and reasonable and will not deprive you of your livelihood.

4. If any sentence, clause, paragraph, or combination of any of them in Sections 14.1, 14.2, 14.3 or 21.3 of the Development Agreement is held by a court of competent jurisdiction to be unenforceable as applied to you, then such unenforceable sentence, clause, paragraph, or combination may be modified by such court to the extent necessary to render it enforceable, and if it cannot be so modified, it shall be severed and the remainder of Sections 14.1, 14.2, 14.3 and 21.3 shall remain in full force and effect.

5. These personal covenants shall be governed by the internal laws of the State of Georgia, unless the law of your jurisdiction applies as provided for in Section 21 of the Development Agreement.

The undersigned hereby execute and deliver this instrument effective as of the Effective Date of the Development Agreement.

Signature

Signature

Print Name

Print Name

Date: _____, 20____

Date: _____, 20____

Signature

Signature

Print Name

Print Name

Date: _____, 20____

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Exhibit D

Developer Information

1. Developer's legal organization (circle one): (a) sole proprietorship; (b) partnership; (c) corporation; (d) limited liability company; or (e) other.
2. If Developer is not a sole proprietor, list of all its partners, members or shareholders or others holding any ownership interest in Developer:

| Name and address | % interest | Active in Operation of Business? (yes/no) |
|-----------------------------|------------|-------------------------------------------------|
| (a) _____ _____ _____ | _____ | _____ |
| (b) _____ _____ _____ | _____ | _____ |
| (c) _____ _____ _____ | _____ | _____ |
| (d) _____ _____ _____ | _____ | _____ |

3. If Developer is not a sole proprietor, list all of its officers, directors, managers and/or general partners:

| | <u>Name</u> | <u>Title</u> |
|-----|-------------|--------------|
| (a) | _____ | _____ |
| (b) | _____ | _____ |
| (c) | _____ | _____ |
| (d) | _____ | _____ |

[Signature Appears on Following Page]

The undersigned certifies that all information contained in this Exhibit D is accurate and complete, and agrees to notify Franchisor promptly (and in any case within 15 days) upon any change in the information required to be disclosed in this Exhibit D.

DEVELOPER:

If an Individual:

Signature:_____

Printed Name:_____

If other than an Individual:

[INSERT ENTITY NAME]

By:_____

Name:_____

Title:_____

Exhibit E

Guaranty Agreement

(See Attached)

GUARANTY AGREEMENT

In consideration of, and as an inducement to, the execution by Monkey Joe's Franchising, LLC ("Franchisor") of that certain Monkey Joe's Franchising, LLC Development Agreement, dated _____, 20__ (as the same from time to time may be amended or modified, the "Development Agreement"), by and between _____ ("Developer") and Franchisor, the undersigned, for the term of the Development Agreement, and thereafter until all obligations of Developer to Franchisor have been satisfied, jointly and severally, do hereby personally, absolutely, and unconditionally guarantee that Developer shall punctually pay and perform each and every undertaking, condition, and covenant set forth in the Development Agreement.

Each of the undersigned further waives acceptance and notice of acceptance of the foregoing obligations of Developer, notice of demand for payment of any indebtedness or for performance of any obligations hereby guaranteed, and any right the undersigned may have to require that an action be brought against Developer or any other person as a condition to the liability of the undersigned.

This Guaranty is a guarantee of payment and performance not merely one of collection. Each of the undersigned further consents and agrees that its liability under this Guaranty shall be direct and immediate and joint and several; that the undersigned shall render any payment or performance required under the Development Agreement upon demand if Developer fails or refuses punctually to do so; that such liability shall not be contingent or conditioned upon the pursuit of any remedies against Developer or any other person; and that such liability shall not be diminished, relieved or otherwise affected by the extension of time, credit or any other indulgence which Franchisor, its affiliates, successors or assigns may, from time to time, grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, or the release of any one or more of the undersigned hereunder, or the consent to assignment of the Development Agreement or any interest in Developer, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable throughout the term of the Development Agreement and any extension or renewal thereof and thereafter until all obligations of Developer to Franchisor have been satisfied.

Until all obligations of Developer to Franchisor have been satisfied, the obligations of the undersigned under this Guaranty shall remain in full force and effect without regard to, and shall not be released, discharged or in any way modified or affected by, any circumstance or condition (whether or not the undersigned shall have any knowledge or notice thereof), including, without limitation, any bankruptcy, insolvency, reorganization, composition, liquidation or similar proceeding, with respect to Developer or its properties or creditors, or any action taken by any trustee or receiver or by any court in any such proceeding. Each of the undersigned specifically waives any rights that may be conferred upon the undersigned as a guarantor or surety under the applicable law of any state. The remedies provided herein shall be nonexclusive and cumulative of all other rights, powers and remedies provided under the Development Agreement or by law or in equity.

The undersigned hereby agree that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder, any term, covenant or condition of the Development Agreement may be amended, compromised, released or otherwise altered by Franchisor and the Developer and the undersigned do guarantee and promise to perform all of the obligations of the Developer under the Development Agreement as so amended, compromised, released or altered.

Upon notice from Franchisor that Developer has failed to pay monies due and owing to Franchisor under the Development Agreement, any and each of the undersigned agree to cure the monetary default within five business days from such notice.

Upon the death of an undersigned, the estate of such undersigned shall be bound by this Guaranty but only for defaults and obligations hereunder existing at the time of death. The obligations of the surviving undersigned shall continue in full force and effect.

The undersigned expressly acknowledge that the obligations hereunder survive the termination of the Development Agreement.

Franchisor's failure to enforce all or any portion of its rights under this Guaranty shall not constitute a waiver of its ability to do so at any point in the future.

No delay or failure of Franchisor in the exercise of any right, power, or remedy shall operate as a waiver thereof, and no partial exercise by Franchisor shall preclude any further exercise thereof or the exercise of any other right, power or remedy.

This Guaranty shall be governed by and construed in accordance with the internal laws of the State of Georgia without recourse to Georgia (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guaranty would not be enforceable under the laws of Georgia, and if the business franchised under the Development Agreement is located outside of Georgia and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guaranty is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or other doctrine of law of the State of Georgia or any other state, which would not otherwise apply. Any litigation initiated under this Guaranty shall be instituted exclusively at Franchisor's discretion in the most immediate state judicial district and court encompassing Franchisor's headquarters and having subject matter jurisdiction thereof or the United States District Court encompassing Franchisor's headquarters. Each of the undersigned expressly agree that the undersigned is subject to the jurisdiction and venue of those courts for purposes of such litigation. Each of the undersigned hereby waive and covenant never to assert any claim that the undersigned is not subject to personal jurisdiction in those courts or that venue in those courts is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

If Franchisor chooses to proceed against the undersigned under this Guaranty, and Franchisor prevails, the undersigned shall reimburse Franchisor its costs and expenses associated with the proceeding, including its reasonable attorneys' fees, court costs and expenses.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed its signature this ____ day of _____, 20__.

GUARANTORS:

Agreed:

MONKEY JOE'S FRANCHISING, LLC

_____(SEAL)
Signature

By: _____

Address: _____

Name: _____

Its: _____

Social Security No.: _____

_____(SEAL)
Signature

Address:

Social Security No.: _____

_____(SEAL)
Signature

Address:

Social Security No.: _____

_____(SEAL)
Signature

Address:

Social Security No.: _____

Exhibit F

State Specific Addenda

(See Attached)

MONKEY JOE'S FRANCHISING, LLC
ADDENDUM TO MARKET DEVELOPMENT AGREEMENT

MONKEY JOE'S FRANCHISING, LLC

ADDENDUM TO MARKET DEVELOPMENT AGREEMENT

(Maryland)

The following Addendum modifies and supersedes the Monkey Joe's Franchising, LLC Market Development Agreement (the "Agreement") with respect to Monkey Joe's franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating a Monkey Joe's franchise in the State of Maryland pursuant to the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§ 14-201 through 14-233, as follows:

1. Notwithstanding anything contained in this Agreement to the contrary, all initial fees and payments due under this Agreement, including the Development Fee described in Section 4 of this Agreement, are deferred until 15 days after your first Monkey Joe's Facility opens for business.
2. The general release language required as a condition of sale and/or assignment or transfer shall apply except for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Under certain circumstances, the Agreement requires Developer to submit to a court proceeding in the State where Franchisor's principal executive office is located. These provisions may run contrary to the Maryland Franchise Registration and Disclosure Law. Therefore, nothing will preclude Developer from being able to enter into litigation with Franchisor in Maryland.
4. Any claims arising under the Maryland Franchisor Registration and Disclosure Law must be brought within three years after the grant of the franchise.
5. No representation or acknowledgment by the Developer in the Agreement is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
6. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.
7. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

MONKEY JOE'S FRANCHISING, LLC

By: _____

Print Name: _____

Title: _____

DEVELOPER:

If an Individual:

Signature: _____

Print Name: _____

If other than an Individual:

By: _____

Name: _____

Title: _____

MONKEY JOE'S FRANCHISING, LLC
ADDENDUM TO MARKET DEVELOPMENT AGREEMENT
(Virginia)

The following Addendum modifies and supersedes the Monkey Joe's Franchising, LLC Market Development Agreement (the "Agreement") with respect to Monkey Joe's franchises offered or sold to either a resident of the State of Virginia or a non-resident who will be operating a Monkey Joe's franchise in the State of Virginia pursuant to the Virginia State Corporation Commission's Division of Securities and Retail Franchising requirement for us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement, as follows:

1. The first sentence of Section 4 of the Agreement is deleted in its entirety and replaced with the following:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

DEVELOPER:

MONKEY JOE'S FRANCHISING, LLC

If an Individual:

By: _____

Print Name: _____

Title: _____

Signature: _____

Print Name: _____

By: _____

Name: _____

Title: _____

EXHIBIT C
FRANCHISE AGREEMENT

[SEE ATTACHED]



MONKEY JOE'S FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into this ____ day of _____, 20__ (the "Effective Date"), by and between MONKEY JOE'S FRANCHISING, LLC, a Georgia limited liability company with its principal office at 6090 Roswell Road, Atlanta, Georgia 30328 ("Franchisor"), and _____, a _____ with (its principal office) (his/her residence) at _____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisor at a substantial expenditure of time, effort and money has established a system of developing, opening, operating and promoting family entertainment and party facilities ("Monkey Joe's Facilities" or "Facilities") that offer groups a large environment that features games, inflatable and play equipment, food and beverages, and related products and services under the name "MONKEY JOE'S" (the "Monkey Joe's System"); and

WHEREAS, the distinguishing features of the Monkey Joe's System, include, but are not limited to, the name "MONKEY JOE'S" and all such other trade names, trademarks, service marks, logos, emblems, insignia and signs developed for use with the Monkey Joe's System from time to time (collectively, the "Marks"); specially designed games, inflatable and play equipment, machinery, systems, fixtures, other equipment, products, facilities, food products, methods, procedures, and the quality standards therefor; and instructional materials and training courses; all of which may be changed, improved and further developed by Franchisor from time to time; and

WHEREAS, Franchisor has acquired knowledge and experience in the development, advertising and operation of Facilities using the Monkey Joe's System and with respect to the style of the facilities and signs used by said Facilities and has successfully established a reputation, demand and goodwill for the products and services offered and sold by such Facilities; and

WHEREAS, Monkey Joe's Facilities and the products and services offered therein have a reputation for quality that has been acquired and is being maintained by requiring all franchisees of the Monkey Joe's System to maintain high standards of quality and service; and

WHEREAS, Franchisee recognizes the value and benefits to be derived from utilizing the Monkey Joe's System and being associated with Franchisor, the Marks and other distinctive features of the Monkey Joe's System, and now desires to obtain a franchise from Franchisor to use the Monkey Joe's System and to operate a Monkey Joe's Facility at an approved location, and Franchisor is willing to grant Franchisee the right to operate a Monkey Joe's Facility, all subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the covenants and agreements hereinafter set forth, it is mutually understood, agreed and covenanted as follows:

1. GRANT OF FRANCHISE

During the term of this Agreement, Franchisor hereby grants to Franchisee the non-exclusive right and license, and Franchisee undertakes the obligation, to develop and operate a Monkey Joe's Facility and to use solely in connection therewith, the Marks and the Monkey Joe's System in accordance with the terms and conditions of this Agreement only at the Franchised Site, as such term is hereinafter defined. Franchisee agrees to use the Marks and Monkey Joe's System, as they are changed, improved and further developed by Franchisor from time to time. Unless otherwise agreed to by Franchisor, Franchisee has 14 months from the Effective Date to complete the initial training as required by Section 14.1 and to commence operation of the Facility. Franchisee must obtain Franchisor's written approval prior to commencing operation of the Facility.

2. TERM AND RENEWAL

2.1 Initial Term. Unless terminated earlier in accordance with the terms and conditions set forth herein, this Agreement and the franchise granted hereunder shall have an initial term of 10 years commencing as of the Effective Date (the "Initial Term").

2.2 Renewal. Upon the expiration of the Initial Term, Franchisee shall have the right to renew the franchise granted hereunder for an additional 10 year period provided that all of the following conditions are met:

(i) Franchisee gives Franchisor written notice of its election to renew the franchise not less than six months prior to the expiration of the Initial Term;

(ii) Franchisee is not, when notice is given, and does not become prior to the expiration of the Initial Term, in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor or its subsidiaries or affiliates or with any other creditor or supplier of the Facility or lessor or sublessor of the Franchised Site, and Franchisee shall have fully and faithfully performed all of its obligations under this Agreement and all such other agreements throughout their terms;

(iii) Franchisee shall execute, at Franchisor's option, Franchisor's then-current form of Franchise Agreement, which Franchise Agreement shall supersede in all respects the terms and conditions of this Agreement and may contain terms and conditions substantially different from those set forth herein, including, without limitation, an increase in Royalty Fees or Advertising Fees (as such terms are hereinafter defined); provided, however, the renewal Franchise Agreement shall not provide for any additional renewal rights;

(iv) Franchisee shall pay a renewal fee equal to the then-current Franchise Fee (as such term is hereinafter defined) charged by Franchisor;

(v) Franchisee shall complete, at its own expense and to Franchisor's satisfaction, all maintenance, refurbishing, renovation, modernizing and remodeling of the Facility as Franchisor shall reasonably require (including, but not limited to, installation of new and/or additional equipment or systems) so as to reflect the current image and standards of Monkey Joe's Facilities;

(vi) Franchisee shall be current in the payment of all obligations to Franchisor and to any of its affiliates and subsidiaries as well as lessors, vendors and suppliers of the Facility;

(vii) Prior to renewal, Franchisee and/or Franchisee's supervisory and operational manager(s) shall at Franchisee's expense, attend and successfully complete to Franchisor's reasonable satisfaction any retraining program Franchisor may require;

(viii) Franchisee and its owners execute a general release, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor, including any affiliates or subsidiaries, and its and their officers, directors, shareholders, managers, members, partners, employees and agents; and

(ix) Franchisee provides Franchisor with evidence that Franchisee has the right to remain in possession of the Franchised Site or to secure and develop a suitable alternative site acceptable to Franchisee for the renewal term.

3. FRANCHISED SITE AND TERRITORY

3.1 Franchised Site. The rights granted to Franchisee hereunder shall be non-exclusive and shall be restricted to the operation of a single Monkey Joe's Facility to be located at the address and location set forth on Exhibit A attached hereto (the "Franchised Site"). During the term of this Agreement, the Franchised Site shall be used exclusively to operate a Facility. In connection with the execution of the any lease or sublease for the Franchised Site, Franchisee must execute, and cause the lessor and/or sublessor of the Franchised Site to execute, the Collateral Assignment of Lease attached to the Market Development Agreement entered into between Franchisor and Franchisee (the "Development Agreement"), in addition to complying with any other obligations and conditions contained in the Development Agreement relating to the lease or sublease of the Franchised Site and the development and construction of the Facility. The rights granted to Franchisee are for the specific Franchised Site and cannot be transferred to any other location, except with Franchisor's prior written approval.

3.2 Territorial Protection. Franchisor will not establish for itself or grant a franchise to any other party to establish a Facility within the territory specified on Exhibit A attached hereto (the "Franchise Territory"). Notwithstanding anything herein to the contrary, if any disagreement arises regarding the area comprising the Franchise Territory, then Franchisor's decision as to the definition of the Franchise Territory shall be final and binding. Except as expressly provided in the first sentence of this Section 3.2, Franchisee acknowledges that the franchise granted under this Agreement is non-exclusive and Franchisee has no territorial protection and Franchisee has no right to exclude, control or impose conditions on the location or development of other or future franchises under the Marks, or on any sales or distribution of products under the Marks or other business activities of Franchisor or any other party licensed to use the Marks.

3.3 Reservation of Rights. Franchisor retains the right, in its sole discretion, to:

(i) Establish and operate, and grant to other franchisees or licensees the right to establish and operate, a Monkey Joe's Facility or any other business using the Marks, the Monkey Joe's System or any variation of the Marks and the Monkey Joe's System, in any location outside the Franchise Territory, on any terms and conditions that Franchisor deems appropriate;

(ii) Develop, use and franchise anywhere (including within the Franchise Territory) the rights to any trade names, trademarks, service marks, commercial symbols, emblems, signs, slogans, insignia, patents or copyrights not designated by Franchisor as Marks, for use with similar or different franchise systems for the sale or rental of similar or different products or services than those constituting a part of the Monkey Joe's System, without granting Franchisee any rights therein;

(iii) Establish and operate, and grant to other franchisees or licensees the right to operate, businesses identified by the Marks or other trademarks, service marks, commercial symbols or

emblems that offer, ship, sell, rent and provide products or services (including delivery services) to customers located in the Franchise Territory through any distribution channel or method, including Internet (or any other existing or future form of electronic commerce), irrespective of the proximity to the Facility without compensation to Franchisee; provided, however, that any such sales or rentals will not be made from a Monkey Joe's Facility located in the Franchise Territory;

(iv) Own, operate, franchise or license anywhere, even in close proximity to the Facility licensed hereunder, family entertainment facilities of any other type whatsoever operating under marks other than the Marks; and

(v) Engage in any other activity, action or undertaking that Franchisor is not expressly prohibited from taking under this Agreement.

4. INITIAL FRANCHISE FEE

Upon the execution of this Agreement, Franchisee shall pay to Franchisor an initial franchise fee in an amount set forth on Exhibit A (the "Franchise Fee"). In the event the Development Agreement requires the payment of a development fee by Franchisee to Franchisor, there shall be credited toward the payment of the Franchise Fee all or a portion of those development fees in the manner and to the extent provided for in the Development Agreement. Franchisee acknowledges and agrees that the Franchise Fee is paid as consideration for Franchisor granting Franchisee the right to develop, open and operate the Facility using the Marks and the Monkey Joe's System and that the Franchise Fee is fully earned by Franchisor at the time this Agreement is executed, and the Franchise Fee shall not be refundable for any reason.

5. ROYALTY FEE; METHOD OF PAYMENT; LATE PAYMENT

5.1 Royalty Fee. In addition to all other amounts required to be paid hereunder, during the term hereof, Franchisee agrees to pay to Franchisor for the rights granted hereunder a royalty fee equal to 5% of the Gross Sales (as such term is hereinafter defined) of the Facility (the "Royalty Fee"). Payment of the Royalty Fee shall be made on or before Tuesday of each week for Gross Sales of the Facility for the preceding week.

5.2 Definition of Gross Sales. Gross Sales shall mean the total of all sales of all products and services sold in, on, about or from the Facility, together with any other revenues derived from the operation of the Facility, whether by Franchisee or by any other person, whether or not in accordance with the terms hereof, and whether for cash or on a charge, credit, barter or time basis, including, but not limited to, all revenue from food, beverages, merchandise, amusement games, tokens, area rentals, and other attractions in the Facility. For purposes of determining the Royalty Fee and Advertising Fee, there shall be deducted from Gross Sales: (a) the amount of refunds, allowances or discounts to customers (including coupon sales) up to 5% of the Gross Sales, provided the related sales have previously been included in Gross Sales; and (b) the amount of any excise or sales tax levied upon retail sales and paid over to the appropriate governmental authority.

5.3 Automated Bank Draft. Franchisee understands and agrees that Franchisor reserves the right and may require, in its sole discretion, that all Royalty Fees, Advertising Fees, Advertising Cooperative (as defined below) contributions and other fees or contributions required to be paid to Franchisor or any Advertising Cooperative hereunder must be paid by automated bank draft or other reasonable means necessary to ensure payment of such fees are received by Franchisor or the appropriate Advertising Cooperative. Franchisee agrees to comply with Franchisor's payment instructions.

5.4 Late Payments and Insufficient Funds. All overdue payments for Royalty Fees, Advertising Fees and other fees required to be paid hereunder shall bear interest from the date due at the rate specified by Franchisor from time to time, up to the highest rate permitted by the law, but in no event shall such rate exceed 18% per annum. Interest shall accrue on all late payments regardless of whether Franchisor exercises its right to terminate this Agreement as provided for herein. In addition to its right to charge interest as provided herein, Franchisor may charge Franchisee a \$100.00 late payment fee for all such overdue payments and a \$100.00 insufficient funds fee for each check, automated bank draft payment, or other payment method that is not honored by Franchisee's financial institution. Franchisee acknowledges that Franchisor has the right to set-off amounts Franchisee owes Franchisor against any amounts Franchisor may owe Franchisee.

5.5 Application of Payments. Notwithstanding designation by Franchisee to the contrary, all payments made by Franchisee hereunder will be applied by Franchisor at its discretion to any of Franchisee's past due indebtedness.

6. RECORDS, REPORTS AND AUDITS

6.1 Bookkeeping and Recordkeeping. Franchisee agrees to establish a bookkeeping and recordkeeping system conforming to the requirements prescribed from time to time by Franchisor, relating, without limitation, to the use and retention of daily sales slips, coupons, purchase orders, purchase invoices, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, payroll records, journals and general ledgers. In establishing and maintaining Franchisee's bookkeeping and recordkeeping system, Franchisee shall use all form documents established by Franchisor in the Operations Manual (as defined below) or otherwise. Franchisee acknowledges and agrees that if Franchisor is required or permitted by statute, rule, regulation or any other legal requirement to disclose any information regarding Franchisee or the operation of the Facility, including, without limitation, earnings or other financial information, Franchisor shall be entitled to disclose such information. In addition, Franchisee hereby expressly permits Franchisor to disclose any such information to potential purchasers (and their employees, agents, and representatives) of Franchisor in connection with the sale or transfer of any equity interests or assets of Franchisor or any merger, reorganization or similar restructuring of Franchisor.

6.2 Reporting. Franchisee must provide Franchisor with those financial reports required by Franchisor from time to time. All such reports shall be prepared (i) using any form documents established by Franchisor as set forth in the Operations Manual and (ii) in accordance with the generally accepted accounting principles of the United States, to the extent applicable. Franchisee's current reporting obligations include the following:

(i) A statement of relevant Gross Sales in the form required by Franchisor to be delivered with each payment of the Royalty Fee and Advertising Fee no later than 5:00 p.m. on each Tuesday;

(ii) A monthly unaudited balance sheet and profit and loss statement in a form satisfactory to Franchisor covering Franchisee's business for the prior month and fiscal year to date, all of which shall be certified by Franchisee as true and correct and delivered to Franchisor no later than the 21st day of each month;

(iii) Annual financial statements compiled or reviewed by an independent certified public accountant in a form satisfactory to Franchisor, which shall include a statement of income and retained earnings, a statement of cash flows, and a balance sheet of Franchisee, all for the fiscal year then ended. If Franchisee does not, in the ordinary course, obtain financial statements compiled or reviewed by

an independent certified public accountant, then Franchisee may provide internally prepared financial statements which shall be certified as true and correct by Franchisee or Franchisee's principal executive officer or chief financial officer if Franchisee is a partnership, corporation or limited liability company. Franchisor shall have the right at any time to require audited annual statements to be provided to it, at Franchisee's expense;

(iv) An annual copy of Franchisee's signed 1120 or 1120S tax form (including all supporting schedules) as filed with the Internal Revenue Service (or any forms which take the place of those forms), and all other federal, state and local sales and use and income tax reports Franchisee is required to file, all to be delivered within 30 days after filing;

(v) A statement of local advertising expenditures made pursuant to Section 11.3 below for each calendar quarter and fiscal year to date, in a form satisfactory to Franchisor, along with invoices documenting such expenditures (if required by Franchisor), to be delivered within 15 days after the end of each calendar quarter;

(vi) Insurance certificates upon the annual renewal of the policies and all health and safety inspections reports; and

(vii) Any other data, information and supporting records reasonably requested by Franchisor.

All reports or other information required to be submitted under this Section 6.2 shall be submitted to the attention of Franchisor's franchise department. If any of the reports or other information required to be given to Franchisor in accordance with this Section are not received by Franchisor by the required deadline, Franchisor may charge Franchisee a late submission fee equal to \$100.00.

6.3 Audit. Franchisee shall allow representatives of Franchisor to inspect Franchisee's books and records at all reasonable times in order to verify Gross Sales that Franchisee reports as well as to verify Franchisee's advertising expenditures required by Section 11.3 below and any other matters relating to this Agreement and the operation of the Facility. Franchisor may require Franchisee to submit to Franchisor, or Franchisor's representatives, copies of Franchisee's books and records for any offsite inspection that Franchisor or Franchisor's representatives conduct to audit the Facility. If an inspection reveals that Gross Sales of Franchisee have been understated, Franchisee shall immediately pay to Franchisor the amount of Royalty Fees and Advertising Fees overdue, unreported or understated, together with interest as prescribed in Section 5.4 above. All inspections shall be at the expense of Franchisor; provided, however, if the inspection results in a discovery of a discrepancy in the Gross Sales reported by Franchisee of 5% or more, then Franchisee shall pay or reimburse Franchisor for any and all reasonable expenses incurred by Franchisor in connection with the inspection, including, but not limited to, attorneys' and accounting fees and travel expenses, room and board and compensation of Franchisor's employees, as well as interest on the amounts owed at the highest legal rates allowed from the date payment was due.

7. OPERATIONS MANUAL

During the term of this Agreement, Franchisor will loan to Franchisee one copy of, or provide Franchisee with electronic access to, Franchisor's confidential operations manual (the "Operations Manual"), which may consist of printed manuals, computerized documents or software, information provided on the internet or an extranet, audiotapes, videotapes, or any other medium Franchisor adopts periodically for use with the Monkey Joe's System and designates as part of the Operations Manual. The Operations Manual will contain information and specifications concerning the standards and specifications of the Monkey Joe's System, the development and operation of the Facility and any other information and

advice Franchisor may periodically provide to its franchisees. Franchisor may update and change the Operations Manual periodically to reflect changes in the Monkey Joe's System and the operating requirements applicable to Monkey Joe's Facilities, and Franchisee expressly agrees to comply with each requirement within such reasonable time as Franchisor may require, or if no time is specified, within 30 days after receiving notification of the requirement. Franchisee shall at all times ensure that its copy of the Operations Manual and any other confidential materials supplied by Franchisor to Franchisee are kept current and up to date. Franchisee must keep any printed Operations Manual in a secure location at the Facility, and must restrict employee access to the Operations Manual on a need to know basis, and take reasonable steps to prevent unauthorized disclosure or copying of any information in any printed or computerized Operations Manual. If Franchisor and Franchisee have any disagreement about the most current contents of the Operations Manual, Franchisor's master copy of the Operations Manual will control. Upon the expiration or termination of this Agreement for any reason, Franchisee must return all copies of the Operations Manual to Franchisor, and upon Franchisor's request, certify to Franchisor that Franchisee has not kept any copies in any medium. The Operations Manual is confidential, copyrighted and Franchisor's exclusive property.

8. MODIFICATION AND IMPROVEMENTS TO THE MONKEY JOE'S SYSTEM

8.1 Modification by Franchisor. Franchisee recognizes and agrees that from time to time hereafter, Franchisor may change, modify or improve the Monkey Joe's System, including, without limitation, modifications to the Operations Manual, the equipment, processes and systems to support the business, the products and services offered for sale, the required games, inflatable and play equipment, machinery, systems, other equipment, the signage, the presentation and usage of the Marks, and the adoption and use of new, modified or substituted Marks or other proprietary materials. Franchisee agrees to accept, use and/or display for the purposes of this Agreement any such changes, modifications or improvements to the Monkey Joe's System, including, without limitation the adoption of new, modified or substituted Marks, as if they were part of the Monkey Joe's System as of the Effective Date, and Franchisee agrees to make such expenditures as such changes, modifications or improvements to the Monkey Joe's System may require. For purposes of this Agreement, all references to the Monkey Joe's System shall include such future changes, modifications and improvements.

8.2 Modification by Franchisee. If Franchisee develops any new modification, concept, process, improvement or slogan in the operation or promotion of the Facility or to the Monkey Joe's System, the same shall be deemed a work made for hire, and Franchisee shall promptly notify Franchisor of, and provide Franchisor with all necessary information, regarding such modification, concept, process, improvement or slogan, without compensation to Franchisee. Franchisee acknowledges that any such modification, concept, process, improvement or slogan shall become Franchisor's sole and exclusive property and that Franchisor may use or allow other franchisees to use the same in connection with the Monkey Joe's System or the operation of Monkey Joe's Facilities, without compensation to Franchisee.

9. OBLIGATIONS OF FRANCHISEE

9.1 Specific Obligations of Franchisee. Franchisee recognizes the mutual benefit to Franchisee, Franchisor and other franchisees of the Monkey Joe's System of the uniformity of the appearance, services, products and advertising of the Monkey Joe's System and acknowledges and agrees that such uniformities are necessary for the successful operation of Monkey Joe's Facilities. Franchisee also acknowledges and agrees that products and services sold under the Marks and at Monkey Joe's Facilities have a reputation for excellence. This reputation has been developed and maintained by Franchisor, and Franchisee acknowledges and agrees that it is of the utmost importance to Franchisor, Franchisee, and all other franchisees of the Monkey Joe's System that such reputation be maintained. To this end, Franchisee covenants and warrants with respect to the operation of the Facility that Franchisee and

its employees and agents will comply with all of the requirements of the Monkey Joe's System and the Operations Manual and will throughout the term of this Agreement:

(i) Operate the Facility and offer, prepare and sell all products and services offered and sold therein in accordance with the specifications, standards, business practices and policies of Franchisor now in effect or hereafter promulgated, and comply with all requirements of Franchisor, the Monkey Joe's System and the Operations Manual as they are now or hereafter established, including, without limitation, any health, sanitation and cleanliness standards and specifications. Franchisor and its duly authorized representatives shall have the right, if they so elect, at all reasonable times, to enter and inspect the Facility to ensure that Franchisee is complying with such specifications, standards, business practices, policies and requirements and to test any and all games, inflatable and play equipment, machinery, systems, other equipment, and products used in connection with the operation of the Facility. If Franchisee in any way shall fail to maintain the standards of quality for the products and services as established by Franchisor from time to time, Franchisor shall notify Franchisee in writing of the failure and give Franchisee 10 days in which to cure such failure. If Franchisee fails to cure such failure within such 10 day period, Franchisor shall, in addition to any other remedy available to it, have the right to assign to the Facility such persons as it deems necessary for the training of Franchisee's employees to ensure that the standards of quality for the products and services are maintained. Franchisee shall reimburse Franchisor for all costs associated with providing such personnel, including costs of transportation, meals, lodging, salaries, wages and other compensation (including fringe benefits).

(ii) Maintain at all times, at its expense, the Facility and its games, inflatable and play equipment, machinery, systems, other equipment, fixtures, furnishings, furniture, décor, premises, parking areas, landscape areas, if any, and interior and exterior signs in an excellent, clean, attractive and safe condition in conformity with the Operations Manual and Franchisor's high standards and public image. Franchisee shall promptly make all repairs and replacements thereto as may be required to keep the Facility in the highest degree of sanitation, repair and condition and to maintain maximum efficiency and productivity. However, Franchisee shall not undertake any alterations or additions (but may perform maintenance and make repairs) to the buildings, games, inflatable and play equipment, machinery, systems, other equipment, premises or parking areas associated with the Facility without the prior written approval of Franchisor. If Franchisor changes its image or standards of operation with respect to the Facility, Franchisee expressly agrees to comply with each change within such reasonable time as Franchisor may require, or if no time is specified, within 30 days after receiving notification of the change. Franchisee shall also maintain maintenance contracts and/or service contracts on all equipment and machinery designated by Franchisor and Franchisor shall have the right to designate the vendor(s) for such contracts and the requirements for the contracts.

(iii) Comply with all applicable laws, rules, ordinances and regulations that affect or otherwise concern the Facility or the Franchised Site, including, without limitation, zoning, disability access, signage, fire and safety, security, fictitious name registrations, sales tax registration, and health and sanitation. Franchisee will be solely responsible for obtaining any and all licenses and permits required to operate the Facility. Franchisee must keep copies of all health, fire, building occupancy and similar inspection reports on file and available for Franchisor to review. Franchisee must immediately forward to Franchisor any inspection reports or correspondence stating that Franchisee is not in compliance with any such laws, rules, ordinances and regulations.

(iv) Maintain sufficient inventories and employ sufficient qualified employees to operate the Facility at its maximum capacity and efficiency at such hours or days as Franchisor shall designate or approve in the Operations Manual or otherwise, and operate the Facility for such hours or days so designated or approved by Franchisor. Franchisee shall maintain proper security at the Facility which

may include maintaining security systems and employing security officers/personnel, if necessary and/or required by Franchisor, for secure operation of the Facility.

(v) Require all employees of the Facility to wear uniforms and abide by the dress guidelines conforming to the specifications and standards Franchisor may from time to time designate in the Operations Manual or otherwise.

(vi) Require all employees of the Facility to conduct themselves at all times in a competent and courteous manner and use best efforts to ensure that its employees maintain a neat and clean appearance and render competent, sober and courteous service to patrons of the Facility. Franchisor shall have no control over Franchisee's employees, including, without limitation, work hours, wages, hiring or firing.

(vii) Use only those ingredients, products, supplies, games, inflatable and play equipment, machinery, systems, furnishings and other equipment that (a) conform to the standards and specifications designated by Franchisor in the Operations Manual or otherwise and (b) are purchased from suppliers designated or approved in writing by Franchisor. Franchisor may designate, at any time and for any reason, a single or multiple suppliers for ingredients, products, supplies, furnishings and equipment and require Franchisee to purchase exclusively from such designated supplier or suppliers, which exclusive designated supplier(s) may be Franchisor or an affiliate of Franchisor. If Franchisor designates itself as a supplier, Franchisor has the right to earn a profit on any items it supplies. Franchisor and its affiliates may receive payments, discounts or other consideration from suppliers in consideration of such suppliers' dealings with Franchisee and/or the system of Monkey Joe's franchisees, and may use all amounts received by it without restriction. Franchisor is not required to give Franchisee an accounting of supplier payments or to share the benefit of supplier payments with Franchisee or other Monkey Joe's franchisees.

(viii) If Franchisee desires to purchase any ingredients, products, supplies, furnishings and equipment from suppliers other than those previously approved by Franchisor and such items have not been designated by Franchisor to be exclusively supplied by a designated supplier(s), Franchisee shall first submit to Franchisor a written request for authorization to purchase such items, together with such information and samples as Franchisor may require. Franchisor shall have the right to require periodically that its representatives be permitted to inspect such items and/or supplies' facilities, and that samples from the proposed suppliers, or of the proposed items, be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. Permission for such inspections shall be a condition of the initial and continuing approval of such supplier, manufacturer or distributor. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor shall, within 90 days after its receipt of such request and completion of such evaluation and testing (if required by Franchisor), notify Franchisee in writing of its approval or disapproval. Franchisor may deny such approval for any reason, including its determination to limit the number of approved suppliers. The provisions above shall only apply if Franchisor has not designated a supplier or suppliers.

(ix) Prominently display at the Facility and the Franchised Site signs using the name "MONKEY JOE'S", and/or other signs, of such nature, form, color, number, location and size, and containing such material as Franchisor may from time to time reasonably direct or approve in writing; and not display in the Facility or on the Franchised Site or elsewhere any sign or advertising media of any kind to which Franchisor reasonably objects. Franchisor or its authorized representatives may at any time during normal business hours enter the Facility or the Franchised Site and remove any objectionable signs or advertising media.

(x) Use Franchisee's best and continuing efforts to fully promote and develop the Facility and use the Franchised Site only for the purposes designated in this Agreement and avoid any activities that would conflict or interfere with or be detrimental to such purposes.

(xi) Sell only those products and services from the Facility specified by Franchisor from time to time in the Operations Manual or otherwise, and refrain from maintaining or using unapproved vending machines, video game machines, telephone booths, or entertainment devices not included in the Monkey Joe's System, unless approved in writing by Franchisor.

(xii) Refrain from diverting from the specifications of all games, slides and jumps as specified by Franchisor, without the prior written consent of Franchisor, and adhere to all changes, alterations, additions and subtractions thereof, thereto or therefrom as specified by Franchisor from time to time and follow all specifications of Franchisor as to the uniformity of games, slides and jumps offered at the Facility.

(xiii) Refrain from deviating from the formulas, recipes or specifications of materials and ingredients of food as specified by Franchisor, without the prior written consent of Franchisor, and adhere to the menu and all changes, alterations, additions and subtractions thereof, thereto or therefrom as specified by Franchisor from time to time and follow all specifications of Franchisor as to the uniformity of products and weight, quality and quantity of unit products served and sold, and serve and sell only such menu items as are designated by Franchisor. Franchisee shall not sell any additional food and/or drink items or any other merchandise of any kind without the prior written approval of Franchisor. As specified in the Operations Manual, maintain areas at the Facility for televisions with cable, satellite and/or video viewing for customers at the Facility.

(xiv) Make no physical changes from blueprint specifications or approved remodeling plans in connection with the premises constituting the Facility on the Franchised Site, or the design thereof, or any of the materials used therein, or their colors, without the express written approval of Franchisor, except that Franchisee will, upon request of the Franchisor, make such reasonable alterations to the Facility or premises as may be necessary to conform to the then-current marketing and operating standards and specifications of the Monkey Joe's System. Franchisee will paint the Facility (interior or exterior) at such intervals as Franchisor may reasonably determine to be advisable, which determination shall in no event be more than once in any calendar year, using paints which will be in accordance with specifications given by Franchisor.

(xv) Ensure that an individual who has completed the initial training program described in Section 14.1 below is at the Facility at all times during normal business hours as established by Franchisor from time to time.

(xvi) Participate in all national, regional or local advertising and promotional activities Franchisor requires. Franchisee understands that Franchisor implements promotions such as discount coupons, certificates, frequent customer cards, special menu promotions, gift cards and other activities intended to enhance customer awareness and build traffic at Monkey Joe's Facilities on a national, regional or local level. Franchisor may establish procedures and regulations related to these promotions in the Operations Manual and Franchisee agrees to honor and participate in these programs in accordance with such procedures and regulations specified by Franchisor in the Operations Manual or otherwise in writing. Franchisee understands that its participation in these programs is essential to its success and that its participation may entail some cost to Franchisee. Franchisee agrees that Franchisor has no obligation to reimburse Franchisee for any costs it incurs due to its mandatory participation in these special promotional programs.

(xvii) Without limiting any of Franchisee's other obligations under this Agreement, at the request of Franchisor, but not more often than once every 5 years, unless sooner required by Franchisee's lease, Franchisee shall refurbish the premises of the Facility at its expense, to conform to the facility, trade dress, color schemes and presentation of the Marks in a manner consistent with the then-current image for new Facilities ("Refurbishments"). Refurbishments may include structural changes, installation of new equipment and signs, remodeling, redecoration and modifications to existing improvements. Refurbishments are intended to be large-scale re-equipping, refurbishing and remodeling of the Facility, and nothing contained in this Subsection (xvi) of this Agreement will affect Franchisee's other obligations under this Agreement or the Operations Manual.

(xviii) Become a member of any purchasing and/or distribution cooperative(s)/association(s)/program(s) designated by Franchisor and/or established by Franchisor for the Monkey Joe's System, remain a member in good standing thereof throughout the term of this Agreement and pay all membership fees or fees on purchases that are assessed by such purchasing and/or distribution cooperative(s)/association(s)/program(s).

(xix) As required by Franchisor, maintain a contract(s) with, or participate in any Franchisor contract(s), with any third-party(ies) offering customer service, shopper experience, food safety or other service programs designed to audit, survey, evaluate or inspect business operations. Franchisee understands that Franchisor has the right to specify the third party and the required level of participation in such programs and Franchisee will bear the cost.

9.2 Franchisor's Right to Impose Fines for Non-Compliance. Recognizing the importance of system-wide uniformity and excellence, and with that goal in mind, Franchisor may establish and impose a fine system which fines Franchisee as specified in the Operations Manual for Franchisee's failure, after notice and an opportunity to correct any failure or deficiency of Franchisee. Fines may range from \$100 to \$1,000 per violation per day, and may be increased for repeated violations by Franchisee. Franchisor may seek input or consultation from any Franchise Advisory Council or Board, formal or informal, on when and how to impose such fines generally. We have the right to appoint the Franchise Advisory Council or Board.

10. TECHNOLOGY SYSTEMS AND WEBSITE

10.1 Technology Systems and Required Software.

(i) Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, monitoring, computer systems, and hardware to be used by, between, or among Facilities, including without limitation: (a) back office and point of sale systems for use at Facility, and between and among Franchisee's Facility and Franchisor and/or Franchisee; (b) audio and video monitoring, storage, retrieval, and transmission systems for use at Facility, and between and among Franchisee's Facility and Franchisor and/or Franchisee; (c) cash register systems; (d) physical, electronic, and other security systems; (e) printers and other peripheral devices; (f) archival back-up systems; (g) internet access mode (e.g., form of telecommunications connection), internet service provider, type of IP address that the service provider must provide (e.g., static IP address) and speed; and (h) remote access service providers for Franchisee and/or Franchisor access (collectively, the "Technology Systems").

(ii) Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software programs and accounting system software that Franchisee must use in connection with the Technology Systems ("Required Software"), which Franchisee shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; (c) the tangible media upon which Franchisee shall record data; and (d) the database file structure of Franchisee's Technology Systems.

(iii) Franchisee shall install and use the Technology Systems and Required Software.

(iv) Franchisee shall implement and periodically make upgrades and other changes to the Technology Systems and Required Software as Franchisor may reasonably request in writing (collectively, “Computer Upgrades”).

(v) Franchisee shall comply with all specifications issued by Franchisor with respect to the Technology Systems and the Required Software, and with respect to Computer Upgrades. Franchisee shall also afford Franchisor unimpeded access to Franchisee’s Technology Systems and Required Software as Franchisor may request, in the manner (including through any remote access service provider), form, and at the times requested by Franchisor.

(vi) Franchisee shall comply with Franchisor’s requirements (as set forth in the Operations Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee’s Technology Systems and Franchisor’s technology systems as Franchisor may reasonably require. Franchisor may require Franchisee’s Technology Systems to provide Franchisor with continuous real-time access to all information and data collected by the Technology Systems for inspection, monitoring, retrieval and other purposes.

(vii) Franchisor may require Franchisee to maintain support service contracts and/or maintenance service contracts for the Technology Systems and Required Software. Franchisor shall have the right to designate the vendor(s) for such support service contracts and maintenance service contracts.

10.2 Franchisor currently operates a website related to the Monkey Joe’s System at www.monkeyjoes.com (the “Website”). Franchisor shall have the right to designate a successor Website. Subject to the terms of this Agreement, during the term hereof, Franchisor will endeavor to make available to Franchisee a sub-page on the Website that will be located at a sub-domain of the Website to be specified by Franchisor (the “Subpage”). Franchisee will be permitted to upload content onto the Subpage solely to promote, and provide customers information related to, the Facility operated by Franchisee. Franchisee shall only upload content onto the Subpage in accordance with terms of this Agreement as well as any guidelines, directives or specifications (collectively, “Subpage Standards”) in the Operations Manual. Franchisee understands and agrees that the Subpage may not contain content which references any other Facility other than the Facility operated by Franchisee. Franchisee will not upload, publish, display, or otherwise include or use any content on the Subpage without receiving the prior written approval of Franchisor. Accordingly, once the initial content of the Subpage is approved by Franchisor, Franchisee must submit any changes to such content to Franchisor for its prior written approval.

Franchisor’s review and approval of the Subpage content shall not be construed as Franchisor’s approval, recommendation or endorsement of Franchisee or a representation or warranty by Franchisor that such content is accurate, complete, truthful or correct. Franchisee acknowledges and understands that the registration for the Website domain name is and shall be maintained exclusively in the name of Franchisor or its designee. Franchisee acknowledges Franchisor’s or its designee’s exclusive right, title and interest in and to the domain name for the Website and further acknowledges that nothing herein shall give it any right, title or interest in such domain name. Franchisee will not, at any time, challenge Franchisor’s or its designee’s ownership of the Website domain name, challenge the validity of the Website domain name, or impair any right, title or interest of Franchisor or its designee in the Website domain name. Franchisee will assist Franchisor in preserving and protecting Franchisor’s or its designee’s rights in and to the Website domain name.

Franchisee further acknowledges and agrees that Franchisor may, at any time in its sole discretion, cease to make the Subpage available to Franchisee or the public. Franchisee agrees that Franchisor shall have no liability for failing to make the Subpage available to Franchisee or the public. **ADDITIONALLY, TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES (WHETHER EXPRESS, IMPLIED OR STATUTORY) RELATED TO THE AVAILABILITY AND PERFORMANCE OF THE WEBSITE AND THE SUBPAGE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NONINFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR SHALL NOT BE LIABLE FOR ANY DIRECT OR INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES OR DAMAGES FOR LOST PROFIT OR LOSS OF BUSINESS) RELATED TO THE USE, OPERATION, AVAILABILITY OR FAILURE OF THE WEBSITE OR SUBPAGE.** Upon the termination or expiration of this Agreement for any reason or Franchisee's default under this Agreement for any reason, all right of Franchisee to upload content onto, or otherwise use, the Subpage shall immediately cease and Franchisor may cease to make the Subpage available to Franchisee.

10.3 Data. All data provided by Franchisee, uploaded to Franchisor's system from the Franchisee's system, viewed from Franchisee's system by Franchisor's system, and/or downloaded from the Franchisee's system to Franchisor's system is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee.

10.4 Privacy. Franchisor may, from time-to-time, specify in the Operations Manual or otherwise in writing the information that Franchisee shall collect and maintain on the Technology Systems installed at the Facility, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. Franchisee shall abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information and any such policies established by Franchisor related to such information.

11. ADVERTISING

11.1 Grand Opening. Franchisee, at its sole expense, must develop and implement a grand opening promotion approved by Franchisor to introduce or (if Franchisee is purchasing an existing Facility) to re-introduce the Facility to the public during the period that is 30 days prior and 60 days after the opening of the Facility or 60 days after the transfer of the Facility (if Franchisee is purchasing an existing Facility). Franchisee is required to spend a minimum of \$15,000 for the grand opening promotion. To the extent Franchisor has developed or approved marketing or advertising programs and materials for the Facility's grand opening, Franchisee must use such programs and materials.

11.2 Advertising Fund. In addition to all other amounts required to be paid hereunder, during the term hereof, Franchisee must pay to Franchisor, or such other entity designated by Franchisor, an amount based upon Gross Sales to be designated by Franchisor from time to time, in its sole discretion, provided such amount shall not exceed 2% of Gross Sales (the "Advertising Fee"), which amount shall be used by the Advertising Fund (as such term is hereinafter defined). The Advertising Fee shall be the same for all Monkey Joe's franchisees. Payment of the Advertising Fee shall be made on or before Tuesday of each week and be based upon Gross Sales of the Facility for the preceding week. Advertising Fees shall be paid concurrently with the payment of the Royalty Fees.

The Advertising Fee will be expended for the benefit of Franchisor, Franchisee and all other franchisees or users of the Monkey Joe's System for the production or purchase of such radio,

television, print and/or other advertising materials or services as Franchisor deems necessary or appropriate, in its sole discretion, on a national, regional or local basis (the “Advertising Fund”). The expenditure of such funds for advertising is to be under the control of, and in the discretion of, Franchisor at all times, or such other entities designated by Franchisor. Franchisee understands and acknowledges that the Advertising Fund is intended to maximize and support general public recognition, brand identity, sales and patronage of Monkey Joe’s Facilities for the benefit of all Monkey Joe’s Facilities and that Franchisor undertakes no obligation to ensure that the Advertising Fund benefits each Monkey Joe’s Facility in proportion to its respective contributions. Franchisor agrees that all funds contributed to the Advertising Fund may be used to meet any and all costs (including, without limitation, reasonable salaries and overhead incurred by Franchisor) of maintaining, administering, directing and preparing national, regional or local advertising materials, programs and public relations activities including, without limitation, the costs of preparing and conducting television, radio, magazine, billboard, newspaper, direct response literature, direct mailings, brochures, collateral advertising material, implementing websites for Franchisor and/or its franchises, surveys of advertising effectiveness and other media programs and activities, employing advertising agencies to assist therewith and providing promotional brochures, decals and other marketing materials.

The Advertising Fund shall be established as a separate banking account and monies received shall be accounted for separately from Franchisor’s other funds and shall not be used to defray any of Franchisor’s general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration or direction of the Advertising Fund and its advertising programs (including, without limitation, conducting market research, preparing advertising and promotional materials, collecting and accounting for contributions to the Advertising Fund, paying for the preparation and distribution of financial statements, legal and accounting fees and expenses, taxes, and other reasonable direct and indirect expenses incurred by Franchisor or its authorized representatives in connection with programs funded by the Advertising Fund). The Advertising Fund will not be Franchisor’s asset. A financial statement of the operations of the Advertising Fund shall be prepared annually, and shall be made available to Franchisee upon request. Franchisor may spend in any fiscal year more or less than the aggregate contribution of all Monkey Joe’s Facilities to the Advertising Fund in that year, and the Advertising Fund may borrow from Franchisor or others to cover deficits or invest any surplus for future use. Any lender loaning money to the Advertising Fund shall receive interest at a reasonable rate. All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended. Franchisor may cause the Advertising Fund to be incorporated or operated through a separate entity at such time as Franchisor may deem appropriate, and such successor entity, if established, will have all rights and duties specified in this Section. Franchisor will not be liable for any act or omission with respect to the Advertising Fund that is consistent with this Agreement and done in good faith. Except as expressly provided in this Section 11.2, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Advertising Fund. Franchisee acknowledges and agrees that Franchisor is not operating or acting as a trustee or fiduciary with respect to the Advertising Fees collected. Franchisee agrees to participate in any promotion, marketing or advertising campaigns created by the Advertising Fund. Franchisor may reduce contributions of franchises to the Advertising Fund and upon notice to Franchisee, reduce the Advertising Fund’s operation or terminate the Advertising Fund and distribute unspent monies to those contributing franchisees in proportion to their contributions in the past.

Franchisor may seek input on use of the Advertising Fund from the Franchisee Advisory Board. The Board is appointed by Franchisor in Franchisor’s sole discretion, and serves solely in advisory capacity.

11.3 Local Advertising. Franchisee agrees that, in addition to the payment of the Advertising Fee and any amounts required under Section 11.1 hereof, it will spend a reasonable amount each calendar

quarter for local market advertising but in no event less than 2% of Gross Sales per calendar quarter. The amount of advertising funds expended by Franchisee for individual local market advertising shall be determined by Franchisee, subject to the foregoing minimum requirement. Local advertising expenditures shall not include incentive programs, including, without limitation, costs of honoring coupons, costs of honoring sales or promotions, salaries, contributions, donations, press parties, in-store fixtures or equipment, yellow page advertising and exterior or interior signage. If Franchisee fails to make advertising expenditures in accordance with this Section, Franchisor shall have the right to spend an amount not to exceed 2% of the Gross Sales of the Facility on local advertising on behalf of Franchisee, and Franchisee must reimburse Franchisor for such expenses. Failure to comply with this Section shall be deemed a material breach of this Agreement.

11.4 Advertising Cooperatives. In connection with the Facility and any and all other Monkey Joe's Facilities owned or operated by Franchisee, Franchisee shall participate, if required by Franchisor, in any local, regional or national cooperative advertising group, consisting of other franchisees of Monkey Joe's Facilities, when and if any such groups are created (each, an "Advertising Cooperative"). The particular Advertising Cooperative(s) in which Franchisee may be required to participate shall be designated by Franchisor in its sole discretion (which designations may be based upon, without limitation, the particular Designated Market Area or the Area of Dominant Influence, as those terms are used in the advertising industry, where the Monkey Joe's Facilities operated by Franchisee are located). Franchisee's payments to any Advertising Cooperative shall be determined by Franchisee and those other franchisees of the Monkey Joe's System and/or Franchisor, as the case may be, who are participants in such Advertising Cooperative, as set forth in the by-laws of that Advertising Cooperative or membership, dues, participation or other payment agreements of such Advertising Cooperative. Franchisee, however, may not be required to spend more than 2% of Gross Sales per annum in connection with any Advertising Cooperative. Amounts paid to an Advertising Cooperative shall be credited against payments Franchisee is otherwise required to make for local advertising as required by Section 11.3 above. Any payments to an Advertising Cooperative shall be in addition to the amounts required to be paid or spent under Sections 11.1 and 11.2 hereof. Franchisee shall enter into such formal agreements with such other franchisees of the Monkey Joe's System and/or Franchisor, as the case may be, as shall be necessary or appropriate to accomplish the foregoing and Franchisee shall abide by such formal agreements and decisions that the Advertising Cooperative is authorized by Franchisor to make related to advertising and marketing in the area covered by the Advertising Cooperative. If Franchisee becomes delinquent in its dues or other payments to the Advertising Cooperative or fails to abide by any formal agreements or authorized decisions of the Advertising Cooperative, such delinquency or failure shall be deemed a failure to participate in the Advertising Cooperative and a material breach of this Agreement. Franchisor may upon 30 days' written notice to Franchisee suspend or terminate an Advertising Cooperative's program or operations. As a member, officer or director of an Advertising Cooperative, at the request of Franchisor, Franchisee shall provide to Franchisor all information requested by Franchisor related to such Advertising Cooperative and Franchisee shall have the obligation to provide such information within 10 days after Franchisor's request to Franchisee.

11.5 Approval of Advertising. Any and all advertising and marketing materials (whether developed in connection with an Advertising Cooperative or otherwise) not prepared or previously approved by Franchisor shall be submitted to Franchisor at least two weeks prior to any publication or run date for approval, which may be arbitrarily withheld. Franchisor may grant or withhold its approval, in its sole discretion. Franchisor will provide Franchisee with written notification of its approval or disapproval within a reasonable time. In the event Franchisor does not notify Franchisee of its approval or disapproval within 10 days of Franchisor's receipt of the materials, the materials shall be deemed approved. Franchisee must discontinue the use of any approved advertising within five days of Franchisee's receipt of Franchisor's request to do so. No advertising or promotion by Franchisee shall be conducted on or through the Internet/world wide web or other electronic transmission via computer without express prior written

approval by Franchisor, including all social media sites. Franchisee shall monitor and control its employees so they make no social media postings using the Marks without obtaining Franchisor's prior written approval. Without limiting the generality of the foregoing, Franchisee, without the express prior written approval of Franchisor, shall not operate, or permit to be operated on its behalf, any internet or world wide web site or page which incorporates any of the Marks or otherwise promotes the Facility. All advertising and promotion by Franchisee must be factually accurate and shall not detrimentally affect the Marks or the Monkey Joe's System, as determined in Franchisor's sole discretion.

12. COUNSELING AND ADVISORY SERVICES AND ONSITE ASSISTANCE

During the term of this Agreement, Franchisor may, in its sole discretion, upon the request of Franchisee, furnish counseling and advisory services to Franchisee with respect to the opening and operation of the Facility, including consultation and advice regarding the following: (i) games, inflatable and play equipment, machinery, systems, and other equipment selection and layout; (ii) equipment selection and layout; (iii) employee selection and training; (iv) advertising and promotion; (v) recipes, food, formulas and specifications; (vi) bookkeeping and accounting; (vii) purchasing and inventory control; (viii) operational problems and procedures; (ix) periodic inspections; and (x) new developments and improvements to the Monkey Joe's System. These counseling and advisory services shall occur at Franchisor's offices or via telephone or e-mail. Franchisor shall provide such assistance at no expense to Franchisee; provided, however, Franchisor reserves the right, in its sole discretion, to charge Franchisee a reasonable fee for unusual, extensive or extraordinary assistance requested by Franchisee and/or require Franchisee to reimburse Franchisor for expenses incurred by it in connection with providing such counseling and advisory services. In addition, if requested by Franchisee and Franchisor's personnel are available, Franchisor may provide onsite assistance and training at the Facility, however, Franchisor reserves the right to charge a reasonable fee for this onsite assistance plus expenses and costs incurred by Franchisor in rendering such assistance. In no event shall Franchisor be liable to Franchisee in connection with providing or failing to provide such services.

13. OPENING ASSISTANCE

Prior to opening the Facility, Franchisee shall comply with (i) all of Franchisor's pre-opening, development, construction and training requirements and checklists, and (ii) all other opening requirements set forth in this Agreement, the Operations Manual and/or elsewhere in writing by Franchisor ("Opening Requirements"). Upon satisfactory completion of the Opening Requirements, Franchisor shall provide Franchisee with an opening person(s) to assist in the opening of the Facility and the initial training of Franchisee's employees. While Franchisor may provide initial training of Franchisee's employees in conjunction with the opening of the Facility, thereafter training and supervision of Franchisee's employees shall be solely Franchisee's responsibility. The opening person(s) will remain at the Facility for such length of time as Franchisor shall deem necessary. Franchisor shall provide such opening person(s) at no charge to Franchisee; provided, however, Franchisor reserves the right, in its sole discretion, to charge Franchisee for extraordinary travel and living expenses incurred by such opening person(s) in connection with providing such opening assistance. In the event Franchisee needs and requests additional opening assistance from Franchisor's personnel, and Franchisor approves such request, Franchisee will pay all costs and expenses of such personnel, for as long as any such additional personnel assist at the Facility. The costs and expenses associated with this assistance include, but are not limited to, wages, salary, transportation, meals, lodging and fringe benefits. All personnel provided under this Section shall be selected by Franchisor and is subject to change or removal by Franchisor in its sole discretion. Franchisee must obtain written approval by Franchisor prior to opening the Facility. Franchisor shall have no obligation to approve the opening of the Facility if (a) Franchisee has not satisfied, as determined by Franchisor, all the Opening Requirements and other requirements under this Agreement, or (b) Franchisee or any of its affiliates are in default under any agreement with Franchisor.

14. TRAINING

14.1 Initial Training. The Facility must have two persons that (i) are designated by Franchisee to assume primary responsibility for managing the Facility and (ii) will devote full time and best efforts to the management and operation of the Facility (the “Managers”). Franchisee will inform Franchisor in writing as to the identity of the two Managers, including all additions to any successors. As and when required by Franchisor, the Manager must attend and successfully complete to the satisfaction of Franchisor an initial management training program specified by Franchisor or a comparable training program approved in advance by Franchisor in its sole discretion. Each Manager required to complete the initial training program must successfully complete it before the Facility may open for business. No fee will be charged by Franchisor for the participation of the two Managers in the training program, however, the Franchisee shall be responsible for the costs and expenses (such as transportation, lodging, meals and compensation) of each person who attends the training. During operations hours, a Manager who has successfully completed the initial training program must at all times be at the Facility. In the event that a Manager ceases active employment at the Facility, Franchisee must notify Franchisor within 5 days of cessation of the Manager’s employment at the Facility and enroll a qualified replacement in the initial management training program within 30 days of cessation of such Manager’s employment. Franchisor, in its sole discretion, reserves the right to waive all or a portion of the training program required under this Section.

14.2 Training of Employees. Franchisee shall implement a training program approved by Franchisor for employees of the Facility and shall be solely responsible for the proper training of its employees. Franchisee agrees not to employ any person who fails or refuses to complete Franchisee’s training program or is unqualified to perform his or her duties at the Facility in accordance with the requirements established for the operation of a Monkey Joe’s Facility.

14.3 Additional Training. Franchisee and its Managers and employees shall attend and conduct such additional training programs as Franchisor may from time to time reasonably require relating to the operation of the Facility and the Monkey Joe’s System. Franchisee also may be required to purchase training films or other instructional materials as specified by Franchisor from time to time in the Operations Manual or otherwise.

14.4 Conferences. Franchisor may require Franchisee and/or one or more of the operating managers of the Facility to attend conferences which may be offered by Franchisor from time to time. Franchisee will be responsible for the travel and living expenses of such persons, and Franchisor may charge a reasonable fee sufficient to cover the costs and expenses of such conferences.

14.5 Requirements to Attend Training. All individuals participating in training programs offered by Franchisor must (i) behave in a professional, non-disruptive, non-harassing and non-discriminatory manner during training, (ii) not be under the influence of any stimulant during training, and (iii) satisfy any other training pre-requisites set forth in the Operations Manual. Franchisor has a right to terminate training for any individual that, in Franchisor’s judgment, does not satisfy the requirements in this Section and Franchisee must immediately designate a replacement.

15. MARKS

15.1 Ownership of the Marks. Franchisee acknowledges and agrees that nothing herein contained shall give Franchisee any right, title or interest in and to the Marks, except the non-exclusive right to use the Marks in connection with the operation of the Facility under the Monkey Joe’s System in accordance with the terms of this Agreement. Franchisee also acknowledges and agrees that the Marks and all goodwill now or in the future pertaining to the Marks are the sole and exclusive property of Franchisor

and that it shall not raise or cause to be raised any questions concerning, or objections to, the validity or ownership of such Marks on any grounds whatsoever. Franchisee will not seek to register, reregister or assert claim to or ownership of, or otherwise appropriate to itself, any of the Marks or any marks or names confusingly similar to the Marks, or the goodwill symbolized by the Marks except insofar as such action inures to the benefit of and has the prior written approval of Franchisor. Upon the expiration, termination or cancellation of this Agreement, whether by lapse of time, default or otherwise, Franchisee agrees immediately to discontinue all use of the Marks and to remove all copies, replicas, reproductions or simulations thereof from the Facility and to take all necessary steps to assign, transfer or surrender to Franchisor or otherwise place in Franchisor or its designee title to all such names or marks (other than the Marks) which Franchisee may have used during the term of this Agreement or any renewal or extension thereof in connection with the operation of the Facility. Franchisee hereby acknowledges that Franchisor owns and controls the Monkey Joe's System and all of its components.

15.2 Use of the Marks. In order to protect the Marks, the Monkey Joe's System, and the goodwill associated therewith, Franchisee shall, unless Franchisor otherwise consents in writing:

(i) Only use the Marks designated by Franchisor, and only in the manner authorized and permitted by Franchisor. Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.

(ii) Only use the Marks for the operation of the Facility and only at the Franchised Site, or in advertising for the business conducted at or from the Franchised Site. Franchisee may not use any of the Marks in any part of any domain name or electronic address or any similar proprietary or common carrier electronic delivery system. Franchisee will not seek to register, or assert any claim of ownership or usage rights to, any domain name or electronic address incorporating any of the Marks or any names confusingly similar to the Marks. Franchisee agrees, at the request of Franchisor, to take all necessary steps to assign to Franchisor all rights in or to such domain names and electronic addresses (and any registrations for the foregoing) that Franchisee may acquire.

(iii) Operate and advertise the Facility only under the name "MONKEY JOE'S" or such other Marks as Franchisor may designate from time to time, without prefix or suffix, except to describe the location of the Facility.

(iv) If Franchisee is a corporation, limited liability company, partnership or other type of entity, not use any of the Marks, including, without limitation, the name "MONKEY JOE'S" in its corporate or other legal name without the prior express written consent of Franchisor.

(v) Not permit the use of any trade names, trademarks or service marks at the Facility or the Franchised Site other than the Marks.

(vi) If state or local laws or ordinances require that Franchisee file an affidavit of doing business under an assumed name or otherwise file a report or other certificate indicating that "MONKEY JOE'S" or any similar name is being used as a fictitious or assumed name, include in such filing or application therefor an indication that the filing is made as a franchisee of "Monkey Joe's Franchising, LLC, a Georgia limited liability company located in Atlanta, Georgia."

(vii) Have the symbol TM, SM or R enclosed in a circle or such other symbols or words as Franchisor may designate to protect the Marks on all surfaces where the Marks appear.

15.3 Infringement. Franchisee shall promptly inform Franchisor in writing of any infringement or imitations of any Marks, the Monkey Joe's System, or any act of unfair competition against Franchisor or Franchisee as to which Franchisee has knowledge. Franchisee shall not make any demand or serve any notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any such infringement or unfair competition without first obtaining Franchisor's written consent. Franchisor shall have the exclusive right to institute, negotiate, compromise, settle, dismiss, appeal or otherwise handle any such action and take such steps as it may deem advisable to prevent any such action and to join Franchisee and any other franchisees as a party to any such action to which Franchisor may be a party and to which Franchisee is or would be a necessary or proper party, but nothing herein shall be construed to obligate Franchisor to seek recovery of costs or damages of any kind in any such litigation, the assertion or waiver of such claims being within the sole discretion of Franchisor. The costs of any such action shall be paid by Franchisor and any recovery obtained from such infringers shall be paid to Franchisor.

15.4 Substitute Marks. If Franchisor decides to change, add or discontinue use of any Mark, or to introduce additional or substitute Marks, Franchisee, upon a reasonable period of time after receipt of written notice, shall take such action, at its sole expense, as is necessary to comply with such changes, alteration, discontinuation, addition or substitution. Franchisor shall have no liability for any loss of revenue or goodwill due to any new Mark or discontinued Mark.

16. RELATIONSHIP OF THE PARTIES

It is the express intention of the parties hereto that Franchisee is and shall be an independent contractor under this Agreement, and no partnership, joint venture, fiduciary relationship or other special relationship shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as the agent, legal representative or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, Franchisor or in any way to bind Franchisor. Franchisee agrees not to incur or contract for any debt or obligation on behalf of the Franchisor, or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor, or be detrimental to the good name and reputation of Franchisor or any other franchisees of Franchisor.

17. MAINTENANCE OF CREDIT STANDING

The failure or repeated delay in making prompt payments in accordance with the terms of invoices and statements rendered to Franchisee for purchases of supplies, equipment and other items, whether purchased from Franchisor or others, or defaults in making payments due hereunder or under any other agreement entered into in connection with the operation of the Facility, will result in a loss of credit rating and standing which will be detrimental to Franchisor and other franchisees of the Monkey Joe's System. Franchisee agrees to pay when due all amounts which it owes to anyone for supplies, equipment and other items used in connection with the Facility and all payments owed hereunder or under any other agreement entered into in connection with the operation of the Facility. Franchisee must notify Franchisor immediately when and if Franchisee becomes more than 90 days delinquent in the payment of any of the obligations mentioned above.

18. INDEMNIFICATION, INSURANCE AND TAXES

18.1 Indemnification. Franchisee agrees to indemnify, defend and hold harmless Franchisor and its affiliates, shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") against and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages described in this Section, any taxes described in Section 18.3 below and any claims

and liabilities directly or indirectly arising out of the Facility's operation or Franchisee's breach of this Agreement, except to the extent they arise as a result of Franchisor's own gross negligence or willful misconduct. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigations and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. Franchisor has the exclusive right to defend any such claim. This indemnity will continue in effect after the expiration or termination of this Agreement. Under no circumstances will Franchisor or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate its or their losses and expenses, in order to maintain and recover fully a claim against Franchisee.

18.2 Insurance. Franchisee agrees to secure and maintain during the term of this Agreement, at its own cost, an insurance policy or policies protecting Franchisee and Franchisor and its affiliates against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Facility, including, but not limited to, comprehensive general liability insurance, property and casualty insurance, statutory workers' compensation insurance, and umbrella liability insurance. Such policy or policies shall reflect industry standards, shall be written by a responsible carrier or carriers acceptable to Franchisor, shall name Franchisor and its affiliates as additional insureds, and shall provide at least the types and minimum amounts of coverage as are specified in the Operations Manual as modified by Franchisor from time to time.

Prior to the opening of the Facility and, thereafter, at least 30 days prior to the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder, and all such certificates shall expressly contain endorsements requiring the insurance company to give Franchisor at least 30 days written notice in the event of material alteration to termination, non-renewal, or cancellation of, the coverages evidenced by such certificates and notice of any claim filed under such policy within 30 days after the filing of such claim. Franchisor may, from time to time, during the term of this Agreement, at its sole option, require that the minimum limits and types of insurance coverage, as specified above, be increased or changed as determined solely by Franchisor. If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor or to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may, but need not, obtain such insurance coverage on behalf of Franchisee, and Franchisee shall pay to Franchisor on demand any premiums incurred by Franchisor in connection therewith. Franchisee's obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 18.1 hereof. Notwithstanding the existence of such insurance, Franchisee, as agreed above, is and shall be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the operation of the franchised business and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom.

18.3 Taxes. Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement including, but not limited to, if applicable, state employment tax, state sales tax (including any sales or use tax on equipment purchased or leased) and all other taxes and expenses of operating the Facility. In no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant to occur against the Facility, the Franchised Site or any tangible personal property used in connection with the operation of the Facility.

19. ASSIGNMENT

19.1 Assignment by Franchisor. This Agreement may be unilaterally assigned by the Franchisor and shall inure to the benefit of its successors and assigns. Franchisee agrees and affirms that Franchisor may sell itself, its assets, the Marks and/or the Monkey Joe's System to a third-party; may go public, may engage in private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. Franchisee further agrees and affirms that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or noncompetitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Monkey Joe's Facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Franchisee acknowledges may be proximate to any of its Facilities. With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof) and the Monkey Joe's System and/or the loss of association with or identification of Franchisor under this Agreement. If Franchisor assigns its rights in this Agreement, nothing in this Agreement shall be deemed to require Franchisor to remain in the Monkey Joe's business or to offer or sell any products or services to Franchisee.

19.2 Assignment by Franchisee. Franchisee shall not subfranchise, sell, assign, transfer, merge, convey or encumber (each, a "Transfer"), the Facility, the Franchised Site, this Agreement or any of its rights or obligations hereunder, or suffer or permit any such Transfer of the Facility, the Franchised Site, this Agreement or its rights or obligations hereunder to occur by operation of law or otherwise without the prior express written consent of Franchisor. In addition, if Franchisee is a corporation, limited liability company, partnership, business trust, or similar association or entity, the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, may not Transfer their equity interests in such corporation, limited liability company, partnership, business trust, or similar association or entity, without the prior written consent of Franchisor. Furthermore, in the event that any shareholder, member, partner, investor or other equity holder of Franchisee (the "Equity Holder") is a corporation, limited liability company, partnership, business trust, or similar association or entity, the interests of the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, in such Equity Holder, may not be Transferred, without the prior written consent of Franchisor. Franchisor will not unreasonably withhold consent to a Transfer provided the requirements of Section 19.4 have been satisfied. Any Transfer in violation of this Section shall be void and of no force and effect. In the event Franchisee or an Equity Holder is a corporation, limited liability company, partnership, business trust, or similar association or entity with certificated equity interests, all stock or equity certificates of Franchisee or Equity Holder, as the case may be, shall have conspicuously endorsed upon them a legend in substantially the following form:

"A transfer of this stock is subject to the terms and conditions of a MONKEY JOE'S FRANCHISING, LLC FRANCHISE AGREEMENT dated the ____ day of _____, ____."

19.3 Death or Disability of Franchisee. Upon Franchisee's death or Disability (as such term is hereinafter defined), this Agreement or the ownership interest of any deceased or disabled shareholder, partner, member or other equity holder of the Franchisee or an Equity Holder must be Transferred to a party approved by Franchisor. Any Transfer, including, without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for Transfers set forth in Section 19.4. Franchisor shall not unreasonably withhold its consent to the Transfer of this Agreement or any ownership interest to the deceased or disabled Franchisee's or Equity Holder's spouse, heirs or members of his or her immediate

family, provided all requirements of Section 19.4 have been complied with (except payment of the transfer fee, which shall not apply to such Transfers). A “Disability” shall have occurred with respect to Franchisee if Franchisee, or, if Franchisee is a corporation, partnership or limited liability company, its controlling shareholder, partner, member or other equity holder, is unable to actively participate in its activities as Franchisee hereunder for any reason for a continuous period of six months. As used in this Section 19.3, “Franchisee” may include a disabled or deceased controlling shareholder, partner or member where the context so requires.

19.4 Approval of Assignment. Franchisor’s approval of any Transfer is, in all cases, contingent upon the following:

(i) the purchaser and/or the controlling persons of the purchaser having a satisfactory credit rating, being of good moral character, having business qualifications satisfactory to Franchisor, being willing to comply with Franchisor’s training requirements and being willing to enter into an agreement in writing to assume and perform all of Franchisee’s duties and obligations hereunder and/or enter into a new Franchise Agreement, if so requested by Franchisor, and agreeing to enter into any and all agreements with Franchisor that are being required of all new franchisees, including a guaranty agreement, or any other agreement which may require payment of different or increased fees from those paid under this Agreement; provided, however, the amount of the Royalty Fees paid hereunder shall not be increased upon an assignment;

(ii) the terms and conditions of the proposed transfer (including, without limitation, the purchase price) being satisfactory to Franchisor;

(iii) all monetary obligations (whether hereunder or not) of Franchisee to Franchisor or Franchisor’s affiliates or subsidiaries being paid in full;

(iv) Franchisee not being in default hereunder or any other agreement between Franchisee and Franchisor, including the Development Agreement;

(v) Franchisee and its owners executing a general release of any and all claims against Franchisor and its affiliates, subsidiaries, members, managers, officers, directors, employees and agents, in a form satisfactory to Franchisor;

(vi) Franchisee paying to Franchisor a transfer fee equal to one-half of the then current Franchise Fee plus reimbursement for all legal, training and other expenses incurred by Franchisor in connection with the Transfer;

(vii) Franchisee first offering to sell such interest to Franchisor pursuant to Section 22.3 of this Agreement and the same having been declined in the manner therein set forth;

(viii) the Marks not being used in any advertising for any Transfer prohibited by Sections 19.2 and 19.3 hereof; and

(ix) at Franchisor’s request, the proposed transferee or assignee refurbishes the Facility in the manner and subject to the provisions described in Section 2.2(v) hereof.

19.5 Removal of General Partner. If Franchisee is a limited partnership, Franchisee may not remove or appoint, or permit the limited partners to remove or appoint, a new or successor general partner without the prior written consent of Franchisor (even if such appointment is due to the resignation, death or disability of the General Partner).

20. RESTRICTIVE COVENANTS

20.1 Covenants Not to Compete.

(i) Non-Competition during Term. In addition to and not in limitation of any other restrictions on Franchisee contained herein, Franchisee and Franchisee's spouse, and, if Franchisee is not an individual, its shareholders, members, partners and managers, as applicable, and their spouses (each, a "Bound Party"), agree that they will not, during the term of this Agreement, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, during the term of this Agreement (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business (as defined below), regardless of location or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business, regardless of location.

(ii) Post-Term Non-Competition. In addition to and not in limitation of any other restrictions on Franchisee contained herein, Franchisee and the Bound Parties agree that they will not, for one year following the effective date of termination or expiration of this Agreement for any reason, or following the date of a Transfer by Franchisee, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business which, in either case, is located or operating within a three mile radius of any Monkey Joe's Facility.

(iii) General. For purposes of this Agreement, the term "Competitive Business" means any business operating, or granting franchises or licenses to others to operate, a business that offers games, inflatable and play equipment, party areas and/or other products or services offered at Monkey Joe's Facilities (other than another Monkey Joe's Facility operated by Franchisee under license from Franchisor). Neither Franchisee nor the other Bound Parties will be prohibited from owning securities in a Competitive Business if they are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of the number of shares of that class of securities which are issued and outstanding. The parties acknowledge that the covenants contained in Section 20.1 are based on the reason and understanding that Franchisee and the Bound Parties will possess knowledge of Franchisor's business and operating methods and confidential information, disclosure and use of which would prejudice the interest of Franchisor and its franchisees. Franchisee further understands and acknowledges the difficulty of ascertaining monetary damages and the irreparable harm that would result from breach of these covenants. If any part of this restriction is found to be unreasonable in time or distance, such time or distance may be reduced by appropriate order of the court to that deemed reasonable. Franchisor shall, as a matter of course, receive injunctive relief to enforce such covenants in addition to any other relief to which it may be entitled at law or in equity. Franchisor shall receive such injunctive relief without the necessity of posting bond or other security, such bond or other security being hereby waived.

20.2 Non-Solicitation of Employees. Franchisee and the Bound Parties agree that while this Agreement is in effect and for one year after expiration or termination of this Agreement for any reason, or following the date of a Transfer by Franchisee, they will not, directly or indirectly, solicit or attempt to solicit, or otherwise interfere with or disrupt the employment relationship between Franchisor and any of its employees or between any other Monkey Joe's franchisee and its employees.

20.3 Trade Secrets and Confidential Information.

(i) Franchisee acknowledges and agrees that in connection with the operation of Monkey Joe's Facilities and the Monkey Joe's System, Franchisor has developed at a great expense competitively sensitive proprietary and confidential information which are not commonly known by or available to the public. This proprietary and confidential information does not include any information that (a) is commonly known by or available to the public; (b) has been voluntarily disclosed to the public by Franchisor; (c) been independently developed or lawfully obtained by Franchisee; or (d) has otherwise entered the public domain through lawful means. All information which comprises the Monkey Joe's System including the information and data in the Operations Manual will be presumed to be confidential information of Franchisor.

(ii) Franchisee and each Bound Party agree that while this Agreement remains in effect such party will not, directly or indirectly, disclose or publish to any party, or copy or use for such party's own benefit, or for the benefit of any other party, any of Franchisor's proprietary or confidential information, except as required to carry out Franchisee's obligations under this Agreement or as Franchisor has otherwise expressly approved in writing. All proprietary and confidential information of Franchisor is the sole and exclusive property of Franchisor. Franchisee and each Bound Party agree that the restriction contained in the preceding sentence will remain in effect with respect to the confidential information for five years following termination or expiration of this Agreement for any reason; provided, however, if the confidential information rises to the level of a trade secret, then such restriction shall remain in effect until such time as the information does not constitute a trade secret. Franchisee also agrees that it and all of its employees and agents will take appropriate steps to protect Franchisor's confidential information from any unauthorized disclosure, copying or use. At any time upon Franchisor's request, and in any event upon termination or expiration of this Agreement, Franchisee will immediately return any copies of documents where there are materials containing confidential information and will take appropriate steps to permanently delete and render unusable any confidential information stored electronically.

20.4 Personal Covenants of Certain Bound Parties. As a condition to the effectiveness of this Agreement, and at the time Franchisee delivers this signed Agreement to Franchisor, each Bound Party of Franchisee must sign and deliver to Franchisor the Personal Covenants attached hereto as Exhibit B (the "Personal Covenants"), agreeing to be bound personally by all the provisions of Sections 20.1, 20.2 and 20.3 hereof. If there are any changes in the identity of any such Bound Party while this Agreement is in effect, Franchisee must notify Franchisor promptly and make sure the new Bound Party signs and delivers to Franchisor the Personal Covenants.

20.5 Agreements by Other Third Parties. As a condition to Franchisor's execution of this Agreement, Franchisee, if requested by Franchisor, shall cause each of its management and supervisory employees and other employees to whom disclosures of confidential information are made to execute a noncompetition, nonsolicitation and/or nondisclosure agreement in the form(s) prescribed by Franchisor from time to time.

20.6 Reasonable Restrictive Covenants. Franchisee acknowledges and agrees that (i) the covenants and restrictions in this Section 20 are reasonable, appropriate and necessary to protect the Monkey Joe's System, other Monkey Joe's franchisees and the legitimate interest of the Franchisor, and (ii) do not cause undue hardship on Franchisee or any of the other individuals required by this Section 20 to comply with the covenants and restrictions.

21. TERMINATION

21.1 Termination by Franchisee. Franchisee may terminate this Agreement if Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such material breach within 90 days after written notice thereof is delivered to Franchisor. Notwithstanding the foregoing, if the breach is curable but is of a nature which cannot reasonably be cured with such 90 day period and Franchisor has commenced and is continuing to make good faith efforts to cure such breach, Franchisor shall be given an additional 60 day period to cure the same, and this Agreement shall not terminate. In the event of termination by Franchisee, all post-termination obligations of Franchisee described herein shall not be waived but shall be strictly adhered to by Franchisee.

21.2 Termination by Franchisor without a Cure Period. Franchisor may immediately terminate this Agreement upon written notice to Franchisee, without opportunity to cure, if:

(i) Franchisee files a petition under any bankruptcy or reorganization law, becomes insolvent, or has a trustee or receiver appointed by a court of competent jurisdiction for all or any part of its property;

(ii) Following commencement of the operation of the Facility, Franchisee ceases to operate the Facility at the Franchised Site;

(iii) Franchisee seeks to effect a plan of liquidation, reorganization, composition or arrangement of its affairs, whether or not the same shall be subsequently approved by a court of competent jurisdiction; it being understood that in no event shall this Agreement or any right or interest hereunder be deemed an asset in any insolvency, receivership, bankruptcy, composition, liquidation, arrangement or reorganization proceeding;

(iv) Franchisee has an involuntary proceeding filed against it under any bankruptcy, reorganization, or similar law and such proceeding is not dismissed within 60 days thereafter;

(v) Franchisee makes a general assignment for the benefit of its creditors;

(vi) Franchisee fails to pay when due any amount owed to Franchisor or its affiliates or subsidiaries, whether under this Agreement or not, and Franchisee does not correct such failure within 10 calendar days after written notice thereof is delivered to Franchisee;

(vii) Franchisee fails to pay when due any amount owed to any creditor, supplier or lessor of the Facility or the Franchised Site or any taxing authority for federal, state or local taxes (other than amounts being bona fide disputed through appropriate proceedings) and Franchisee does not correct such failure within 10 calendar days after written notice is delivered thereof to Franchisee;

(viii) Franchisee fails to commence operation of the Facility at the Franchised Site within 14 months after execution of this Agreement, except for any delay that is agreed to in writing by the Franchisor, in its sole discretion;

(ix) Franchisee or any of Franchisee's owners are convicted of or plead no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of the Monkey Joe's System and the goodwill associated with the Marks;

(x) Franchisee operates the Facility or any phase of the franchised business in a manner that presents a health or safety hazard to Franchisee's customers, employees or the public;

(xi) Franchisee makes a material misrepresentation to Franchisor before or after being granted the franchise;

(xii) Franchisee makes an unauthorized Transfer of this Agreement, the franchise, the Facility, or an ownership interest in Franchisee;

(xiii) Franchisee or any Bound Party or any other employee of Franchisee breaches or fails to comply fully with Section 20 above;

(xiv) Franchisee (a) misuses or makes an unauthorized use of or misappropriates any Mark, (b) commits any act which can be reasonably expected to materially impair the goodwill associated with any Mark, (c) challenges Franchisor's ownership of the Marks, (d) files a lawsuit involving the Marks without Franchisor's consent, or (e) fails to cooperate with Franchisor in the defense of any Mark;

(xv) Franchisee makes or permits a third party to make any unauthorized use or disclosure of any confidential information or trade secret of Franchisor;

(xvi) Franchisee fails to comply with any federal, state or local law or regulation applicable to the operation of the franchise (including any failure to comply with the Anti-Terrorism Laws (as defined below) as set forth in Section 42.2 below);

(xvii) The franchised business or the Franchised Site is seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor, provided that a final judgment against Franchisor remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed), or a levy of execution has been made upon the license granted by this Agreement or any property used in the franchised business, and it is not discharged within five days of such levy;

(xviii) Franchisee loses for any cause whatsoever right of possession as owner or lessee of the real property on which the Facility is located. (However, if all or a substantial part of the real property on which the Facility is located is taken by eminent domain proceedings so as to make the Facility not in compliance with Franchisor's construction specifications or so as to make the Facility inoperable for the purpose of carrying out the requirements of this Agreement, then Franchisor and Franchisee will agree upon a new location for the Facility and Franchisee will construct and equip the new Facility in accordance with the then current construction specifications of Franchisor within 180 days after the designation of such location. All of the terms of this Agreement not specifically modified herein shall apply to the construction, maintenance and operation of such new Facility);

(xix) Franchisee knowingly maintains false books or records or denies Franchisor's authorized representatives immediate access to Franchisee's books and records during an audit or inspection;

(xx) Franchisee submits to Franchisor a financial report or other data, information or supporting records which understate by more than 5% the Royalty Fees and/or Advertising Fees due for any reporting period and is unable to demonstrate that such understatements resulted from an inadvertent error;

(xxi) Franchisee has received at least three default notices from Franchisor within a 12 month period, even if such default is subject to a right to cure or is cured after notice is delivered to Franchisee; or

(xxii) Franchisee is dissolved either voluntarily or involuntarily.

21.3 Termination by Franchisor with a Cure Period. Franchisor shall have the right to terminate this Agreement upon 30 days written notice if defaults remain uncured in Franchisor's sole discretion for the following reasons. Notwithstanding the foregoing, if the breach is curable but is of a nature which cannot reasonably be cured within such 30 day period and Franchisee has commenced and is continuing to make good faith efforts to cure such breach, Franchisee shall be given an additional 30 day period to cure the same, and this Agreement shall not terminate.

(i) Franchisee fails or refuses to submit financial statements, reports or other operating data, information or supporting records when due;

(ii) Franchisee fails to relocate or commits a default (other than a monetary default which shall be subject to Section 21.2(vii) above) under the lease, sublease, purchase contract or other contract for the Franchised, Site, the Facility or any equipment or supplies utilized in the operation thereof;

(iii) Franchisee fails to provide or maintain required insurance coverage;

(iv) Franchisee fails to restore the Facility to full operation within a reasonable period of time (not to exceed 90 days) after the Facility is rendered inoperable by any casualty; or

(v) Franchisee fails to comply with any other provision of this Agreement or any mandatory specification, standard or operating procedure prescribed by Franchisor.

21.4 Management of Facility by Franchisor. In addition to Franchisor's right to terminate this Agreement, and not in lieu thereof, Franchisor may enter into the Facility and exercise complete authority with respect to the management thereof until such time as Franchisor shall determine that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take control and manage the Facility in the event of any such default. If Franchisor assumes the management of the Facility, Franchisee must pay Franchisor (in lieu of the Royalty Fee) a management fee equal to ten percent (10%) of the Facility's Gross Sales (the "Management Fee") plus reimburse Franchisor for the full compensation paid to such representative, including the cost of all fringe benefits plus any and all expenses reasonably incurred by such representative so long as such representative shall be necessary and in any event until the default has been cured and Franchisee is complying with the terms of this Agreement. Franchisee acknowledges that the Management Fee shall be in addition to the Advertising Fee and any other fees (except the Royalty Fee) required under this Agreement and shall be paid in accordance with the methods of payment set forth in Section 5. If Franchisor assumes the Facility's management, Franchisee acknowledges that Franchisor will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its owners for any debts, losses, or obligations the Facility incurs, or to any of Franchisee's creditors for any supplies or services the Facility purchases, while Franchisor manages it.

22. EFFECT OF AND OBLIGATIONS UPON TERMINATION

22.1 Liquidated Damages. Franchisee acknowledges and confirms that by granting Franchisee the license to operate the Facility in the Franchise Territory, Franchisor lost the opportunity to grant a franchise for the Franchise Territory to another person or entity or to itself to own and operate a Facility within the Franchise Territory. Additionally, Franchisee confirms that Franchisor will suffer substantial damages by virtue of the termination of this Agreement, including, without limitation, lost Royalty Fees, lost market penetration and goodwill in the Franchise Territory, lost opportunity costs and the expense Franchisor will incur in developing another franchise for the Franchise Territory, which damages are

impractical and extremely difficult to ascertain and/or calculate accurately, and the proof of which would be burdensome and costly, although such damages are real and meaningful to Franchisor and the Monkey Joe's System. Accordingly, in the event that Franchisor terminates this Agreement for Franchisee's default hereunder, Franchisee agrees to pay to Franchisor in a lump sum on the effective date of termination, liquidated damages, which represents a fair and reasonable estimate of Franchisor's foreseeable losses as a result of such termination, and which are not in any way intended to be a penalty, in an amount determined as follows:

(i) the greater of (a) the average monthly amount of Royalty Fees payable by Franchisee to Franchisor for the one year immediately preceding the date of termination provided, however, if the Facility has not been open for at least 12 months, the average monthly amount of Royalty Fees payable by Franchisee to Franchisor for the months in which the Facility has been open;

(ii) multiplied by twenty-four, or the number of months then remaining in the Franchise Agreement term, whichever is less.

Franchisee acknowledges that its obligation to pay Franchisor liquidated damages is in addition to, not in lieu of, Franchisee's obligations to pay other amounts due to Franchisor under this Agreement up to the date of termination and to strictly comply with any other post-termination obligations required hereunder. Should any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement limit Franchisee's ability to pay, and Franchisor's ability to receive, such liquidated damages, Franchisee shall be liable to Franchisor for any and all damages which it incurs, now or in the future, as a result of Franchisee's default under this Agreement.

Franchisee acknowledges that its obligation to pay Franchisor liquidated damages is in addition to, not in lieu of, Franchisee's obligations to pay other amounts due to Franchisor under this Agreement up to the date of termination and to strictly comply with any other post-termination obligations required hereunder. Should any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement limit Franchisee's ability to pay, and Franchisor's ability to receive, such liquidated damages, Franchisee shall be liable to Franchisor for any and all damages which it incurs, now or in the future, as a result of Franchisee's default under this Agreement.

22.2 Obligations upon Termination or Expiration. Upon the termination or expiration of this Agreement, whether by reason of lapse of time, default in performance, abandonment of the Facility or other cause or contingency, Franchisee shall:

(i) forthwith return to Franchisor all material furnished by Franchisor containing confidential information, operating instructions, business practices, or methods or procedures, including, without limitation, the Operations Manual;

(ii) discontinue at the Franchised Site all use of the Marks, and the use of any and all signs, products, paper goods and other items bearing the Marks. Any signs containing the Marks which Franchisee is unable to remove within one day of the termination or expiration of this Agreement shall be completely covered by Franchisee until the time of their removal which shall be within 10 days of termination or expiration of this Agreement;

(iii) if Franchisee retains possession of the Franchised Site, at Franchisee's expense, make such reasonable modifications to the exterior and interior décor of the Facility and the Franchised Site as Franchisor requires to eliminate its identification as a Monkey Joe's Facility and to avoid violation of the non-compete provision;

(iv) refrain from operating or doing business under any name or in any manner that may give the general public the impression that this Agreement is still in force or that Franchisee is connected in any way with Franchisor or that Franchisee has the right to use the Monkey Joe's System or the Marks;

(v) refrain from making use of or availing itself to any of the confidential information, Operations Manual or other information received from Franchisor or disclosing or revealing any the same in violation of Section 20.3 hereof;

(vi) take such action as may be required to cancel all assumed names or equivalent registrations relating to the use of any Mark;

(vii) assign to Franchisor or its designee all of Franchisee's rights, title, and interest in the telephone numbers, telephone directory listings and advertisements, website URLs (whether acquired by Franchisee in accordance with or in violation of Section 15.2 hereof), e-mail addresses, store leases and governmental licenses or permits used for the operation of the Facility. Simultaneously with Franchisee's execution of this Agreement, Franchisee will execute the Internet Web Sites and Listings Agreement attached hereto as Exhibit C and the Telephone Listing Agreement attached hereto as Exhibit D; and

(viii) strictly comply with the terms and conditions of Section 20 above, and any other procedures in the Operations Manual that are established by Franchisor related to discontinuing operations of the Facility.

If Franchisee fails to modify the exterior and interior décor of the Facility and the Franchised Site as Franchisor requires to eliminate its identification as a Monkey Joe's Facility (including the removal of all signs bearing the Marks), Franchisor may take such action to modify the exterior and interior décor of the Facility and the Franchised Site and charge Franchisee for cost of such action. Franchisee shall immediately pay Franchisor for the cost of any action taken by Franchisor to modify the exterior and interior décor of the Facility and the Franchised Site.

22.3 Sale upon Expiration or Termination.

(i) Except in the case of a renewal under Section 2, if this Agreement expires or is terminated or canceled for any reason, Franchisor shall have the option to purchase the Facility, or a portion of the assets of the Facility (including fixtures, furniture, equipment and improvements), and which may include at Franchisor's option, all of Franchisee's leasehold interest in and to the real estate upon which the Facility is located, but not including real property (collectively, the "Assets"), to Franchisor. If Franchisor desires to purchase the Assets but the parties are unable to agree as to a purchase price and terms of such sale, the fair market value of the Assets (to be determined without goodwill or going concern value) shall be determined by three appraisers. Franchisee and Franchisor shall each select one appraiser, and the two appraisers so chosen shall select the third appraiser. The three appraisals shall be averaged to determine the purchase price. Franchisor shall have the right, at any time within 15 days after being advised in writing of the decision of the appraisers as aforesaid, to purchase the Assets at the purchase price as determined above. Each party shall be responsible for the costs and expenses of the appraiser it selected and the cost of the third appraiser shall be shared equally by the parties. Nothing contained in this Section shall be deemed to be a waiver by Franchisor of any default by Franchisee under this Agreement nor shall the exercise of the option to purchase the Assets contained in this Section affect any other rights or remedies granted to Franchisor hereunder or otherwise available to it.

(ii) Notwithstanding the provisions set forth in Section 22.3(i) above, if, within 45 days following the expiration of this Agreement, Franchisee shall receive a bona fide offer for the purchase

of the Assets, Franchisee shall offer the same in writing to Franchisor at the same price and on the same terms or the monetary equivalent; which offer Franchisor may accept at any time within 15 days after receipt thereof. If Franchisor declines, or does not within such 15 day period accept, such offer, then Franchisee may sell the Assets to such purchaser, but not at a lower price nor on more favorable terms than have been offered to Franchisor.

(iii) Any sale of the Assets hereunder shall close no later than 60 days after delivery of written notice of Franchisor's exercise of its option is given to Franchisee. Franchisor has the right to assign its option hereunder and Franchisee must sign all documents of transfer reasonably necessary for the purchase of the Assets. All Assets transferred shall be free and clear of all liens and encumbrances, with all sales and transfer taxes paid by the Franchisee. At the closing, Franchisee and its owners shall execute general releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its owner, officers, employees, directors, agents, successors and assigns.

22.4 Effect of Expiration or Termination. Upon the expiration or termination of this Agreement for any reason, any and all rights granted to Franchisee hereunder shall be extinguished immediately, and Franchisee shall not be relieved of any of its obligations, debts or liabilities hereunder. The expiration or termination of this Agreement for any reason will be without prejudice to the rights of Franchisor against Franchisee and will not destroy or diminish the binding force and effect of any of the provisions of this Agreement that expressly, or by reasonable implication, come into or continue in effect on or after the expiration or termination hereof.

23. RIGHT OF FIRST REFUSAL

If during the term of this Agreement, Franchisee shall receive a bona fide offer from a prospective purchaser for any interest in Franchisee or the Facility (whether by sale of assets, sale of equity interest, merger, consolidation or otherwise), it shall offer the same to Franchisor in writing at the same price and on the same terms or the monetary equivalent; which offer Franchisor may accept at any time within 30 days after receipt thereof. If the parties cannot agree on a reasonable monetary equivalent, an independent appraiser designated by Franchisor shall determine the monetary equivalent and the appraiser's determination will be final. If Franchisor declines, or does not within such 30 day period accept, such offer, then Franchisee may make such Transfer to such purchaser (provided Franchisor approves of such purchaser in accordance with Section 19.2 and subject to compliance with Section 19.4), but not at a lower price nor on more favorable terms than have been offered to Franchisor. If Franchisee fails to complete such Transfer within 90 days following the refusal or failure to act by Franchisor, then Franchisee may not complete such Transfer without first offering the same to Franchisor again as provided above. The parties recognize that the terms of this Section 23 do not apply to a sale and subsequent leaseback of the Franchised Site or any furnishings or equipment used thereon, or any other Transfer of the Franchised Site or the furnishings or equipment thereon in connection with any bona fide financing plan. In no event shall Franchisee offer any interest in this Agreement, or such premises or any interest therein, or any interest in the business conducted thereon, or in the equipment or furnishings located thereon, or in any interest of Franchisee or an Equity Holder for Transfer at public auction, nor at any time shall an offer be made to the public to Transfer the same, through the medium of advertisement, either in the newspapers or otherwise, without having first obtained the written consent of Franchisor to such advertisement or publication.

24. FACILITY CLASSIFICATION

Franchisee shall operate and maintain the Facility in a manner which will ensure that the Facility will obtain the highest classification possible for facilities of like kind from the governmental authorities that inspect facilities in the area where the Facility is operated. If Franchisee is not able to obtain such classification, or if Franchisee fails to operate in accordance with the general standards of quality,

maintenance, repairs and sanitation required by Franchisor, then Franchisor may, at its option, place such trained personnel in the Facility as Franchisor deems necessary to train the managerial and operating personnel of the Facility until the Facility can obtain the highest classification or meet such general standards. Franchisor's personnel shall remain at the Facility until the required classification is obtained or until Franchisor, in its sole discretion, decides to remove them. Franchisee shall pay all costs associated with providing such personnel, including costs of transportation, meals, lodging, wages or other compensation, including fringe benefits.

25. OTHER BUSINESS

Franchisee agrees not to carry on or conduct or permit others to carry on or conduct any other business, activity or operation at the Facility (other than the operation of the Facility in conformity with this Agreement and the Operations Manual) without first obtaining the written consent of Franchisor.

26. OWNERSHIP OF FRANCHISEE

Attached hereto as Exhibit E is a description of the legal organization of Franchisee (whether a corporation, limited, liability company, partnership or otherwise), the names and addresses of each person or entity owning a 10% or greater interest in Franchisee (the "Principal Owners") and the percentage of such interest owned by such person or entity. Franchisee agrees to notify Franchisor in writing whenever there is any change in the organizational structure or ownership interest of Franchisee as set forth on Exhibit E. At Franchisor's request, Franchisee shall provide to Franchisor a copy of all Franchisee's governing and/or organizational documents and any amendments thereto. Franchisor may require each Principal Owner to execute the Guaranty Agreement attached hereto as Exhibit F.

27. SUCCESSORS AND THIRD PARTY BENEFICIARIES

This Agreement and the covenants, restrictions and limitations contained herein shall be binding upon and shall inure to the benefit of Franchisor and its successors and assigns and shall be binding upon and shall inure to the benefit of Franchisee and its permitted heirs, successors and assigns. Except as contemplated by Section 18.1, nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. This Agreement is, however, intended to bind the Bound Parties to the extent set forth in this Agreement.

28. CONSTRUCTION

All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named. Except where this Agreement expressly obligates Franchisor not to unreasonably withhold its approval of any of Franchisee's actions or requests, Franchisor has the absolute right, in its sole and arbitrary discretion, to refuse any request Franchisee makes or to withhold its approval of any of Franchisee's proposed or effected actions that require Franchisor's approval.

29. INTERPRETATION AND HEADINGS

The parties agree that this Agreement should be interpreted according to its fair meaning. Franchisee waives to the fullest extent possible the application of any rule which would construe ambiguous

language against Franchisor as the drafter of this Agreement. The words “include,” “includes” and “including” when used in this Agreement will be interpreted as if they were followed by the words “without limitation”. References to section numbers and headings will refer to sections of this Agreement unless the context indicates otherwise. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

30. NOTICES

Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally, by certified, express or registered mail, or by an overnight delivery service (e.g., Federal or Airborne Express), postage prepaid, addressed to the party to be notified at the respective address first above written, or at such other address or addresses as the parties may from time to time designate in writing. Notices shall be deemed delivered on the date shown on the return receipt or in the delivery service’s records as the date of delivery or on the date of first attempted delivery, if actual delivery cannot for any reason be made.

31. GOVERNING LAW AND ENFORCEMENT

31.1 Governing Law. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ ET SEQ.). EXCEPT TO THE EXTENT PROVIDED BY THE FEDERAL ARBITRATION ACT AS REQUIRED HEREBY, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §1051 ET SEQ.) OR OTHER APPLICABLE FEDERAL LAW, THE TERMS OF THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA WITHOUT REGARD TO ITS CONFLICTS OF LAWS PROVISIONS; PROVIDED, HOWEVER, THAT THE LAW OF THE STATE IN WHICH THE FACILITY IS LOCATED SHALL APPLY TO THE CONSTRUCTION AND ENFORCEMENT OF THE OBLIGATIONS SET FORTH IN SECTIONS 20.1 AND 20.2 HEREOF, WITHOUT REGARD TO ITS CONFLICTS OF LAWS. FOR ACTIONS THAT ARE NOT SUBJECT TO MANDATORY ARBITRATION UNDER SECTION 31.2, FRANCHISEE HEREBY SUBMITS AND IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS FOR THE DISTRICT WHERE FRANCHISOR’S PRINCIPAL EXECUTIVE OFFICE IS LOCATED ON THE DATE OF THE FILING OF THE ACTION, AND AGREES NOT TO RAISE AND HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION BASED UPON *FORUM NON CONVENIENS* OR ANY OTHER OBJECTION IT MAY NOW HAVE OR HEREAFTER HAVE TO SUCH JURISDICTION OR VENUE. FURTHER, NOTHING HEREIN CONTAINED SHALL BAR FRANCHISOR’S RIGHT TO OBTAIN INJUNCTIVE RELIEF AGAINST THREATENED CONDUCT THAT WILL CAUSE IRREPARABLE HARM, UNDER THE USUAL EQUITY RULES INCLUDING THE APPLICABLE RULES FOR OBTAINING SPECIFIC PERFORMANCE, RESTRAINING ORDERS AND PRELIMINARY INJUNCTIONS.

31.2 Arbitration. EXCEPT TO THE EXTENT FRANCHISOR SEEKS INJUNCTIVE OR OTHER EQUITABLE RELIEF TO ENFORCE PROVISIONS OF THIS AGREEMENT, AND EXCEPT FOR CONTROVERSIES, CLAIMS OR DISPUTES BASED ON FRANCHISEE’S FAILURE TO PAY ANY FEES DUE HEREUNDER WHEN DUE; FRANCHISEE’S VIOLATION OF ANY HEALTH OR SAFETY LAW; OR FRANCHISEE’S USE OF THE MARKS, ALL CONTROVERSIES, CLAIMS OR DISPUTES BETWEEN FRANCHISOR AND FRANCHISEE ARISING OUT OF OR RELATING TO (I) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE, (II) THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR, OR (III) THE SCOPE AND VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE (INCLUDING THE SCOPE AND VALIDITY OF THE

ARBITRATION OBLIGATIONS UNDER THIS SECTION, WHICH FRANCHISOR AND FRANCHISEE ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT A COURT) SHALL BE DETERMINED BY ARBITRATION WITH THE AMERICAN ARBITRATION ASSOCIATION (“AAA”) AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR’S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA. SUCH ARBITRATION SHALL BE CONDUCTED BEFORE THREE ARBITRATORS (UNLESS THE PARTIES AGREE TO ONE ARBITRATOR) CHOSEN AS FOLLOWS: FRANCHISOR AND FRANCHISEE SHALL EACH SELECT ONE ARBITRATOR. THESE TWO ARBITRATORS SHALL MUTUALLY AGREE ON ONE OTHER ARBITRATOR TO ACT AS THE THIRD ARBITRATOR. THE DECISION OF THE ARBITRATORS SHALL BE FINAL AND BINDING UPON ALL PARTIES CONCERNED. SUCH DECISION SHALL BE RENDERED WITHIN 30 DAYS OF THE CLOSE OF THE ARBITRATION HEARING RECORD. THE ARBITRATION PROCEEDING SHALL BE CONDUCTED AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR’S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA. IN ANY ARBITRATION PROCEEDING, FRANCHISOR AND FRANCHISEE AGREE THAT EACH MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY THE THEN CURRENT RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES. ANY CLAIM NOT SUBMITTED OR FILED AS REQUIRED IS FOREVER BARRED. THE ARBITRATOR MAY NOT CONSIDER ANY SETTLEMENT DISCUSSIONS OR OFFERS THAT MIGHT HAVE BEEN MADE BY EITHER PARTY. FRANCHISOR RESERVES THE RIGHT, BUT HAS NO OBLIGATION, TO ADVANCE FRANCHISEE’S SHARE OF THE COSTS OF ANY ARBITRATION PROCEEDING IN ORDER FOR SUCH ARBITRATION PROCEEDINGS TO TAKE PLACE AND BY DOING SO WILL NOT BE DEEMED TO HAVE WAIVED OR RELINQUISHED FRANCHISOR’S RIGHT TO SEEK THE RECOVERY OF THOSE COSTS IN ACCORDANCE WITH SECTION 32. THE ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THE ARBITRATION PROCEEDING MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS SECTION OR SECTION 34, IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS SECTION 31.2, THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH THIS SECTION 31 (EXCLUDING THIS SECTION 31.2). THE FEDERAL RULES OF CIVIL PROCEDURE, AS THEY RELATE TO PRETRIAL DISCOVERY, AND THE FEDERAL RULES OF EVIDENCE SHALL APPLY TO THE ARBITRATION. IN ALL OTHER RESPECTS, THE RULES OF THE AAA AND THE UNITED STATES ARBITRATION ACT SHALL CONTROL. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATION MAY BE ENTERED IN ANY COURT HAVING COMPETENT JURISDICTION THEREOF.

31.3 Damages And Timing Of Claims. THE PARTIES AGREE THAT NEITHER PARTY SHALL HAVE THE RIGHT TO RECEIVE OR COLLECT PUNITIVE OR EXEMPLARY DAMAGES FROM THE OTHER PARTY. ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR, OR THE OPERATION OF THE FRANCHISE AND THE FACILITY BROUGHT BY ANY PARTY TO THIS AGREEMENT AGAINST ANOTHER PARTY TO THIS AGREEMENT, SHALL BE COMMENCED WITHIN ONE YEAR FROM THE DISCOVERY OF THE FACTS GIVING RISE TO ANY SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED; PROVIDED, HOWEVER, THAT THIS TIME LIMITATION SHALL NOT APPLY TO ANY UNPERFORMED FINANCIAL OBLIGATION OF

FRANCHISEE TO FRANCHISOR. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW. FRANCHISEE AND THE BOUND PARTIES AGREE THAT THEIR SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST FRANCHISOR AND ITS SUCCESSORS AND ASSIGNS. FRANCHISEE AND THE BOUND PARTIES AGREE THAT THE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS OF FRANCHISOR AND ITS AFFILIATES SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN FRANCHISOR AND FRANCHISEE AND ANY BOUND PARTY.

32. COSTS AND ATTORNEYS' FEES

If Franchisor incurs any expenses in connection with Franchisee's failure to pay any amounts it owes when due, submit any required reports when due or otherwise comply with this Agreement, Franchisee agrees to reimburse Franchisor for any of the costs and expenses which Franchisor incurs, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees.

33. WAIVER

No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or a different kind; nor shall any delay or omission of Franchisor to exercise any right arising from any such default affect or impair Franchisor's rights as to such default or any future default.

34. SEVERABILITY

If any term, restriction or covenant of this Agreement is deemed invalid or unenforceable, all other terms, restrictions and covenants and the application thereof to all persons and circumstances subject hereto shall remain unaffected to the extent permitted by law; and if any application of any term, restriction or covenant to any person or circumstance is deemed invalid or unenforceable, the application of such terms, restriction or covenant to other persons and circumstances shall remain unaffected to the extent permitted by law.

35. FORCE MAJEURE

Neither Franchisor nor Franchisee will be liable for loss or damage or deemed to be in breach of this Agreement if Franchisor's or Franchisee's failure to perform any obligation results from: (i) transportation shortages, inadequate supply of equipment, products, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (ii) acts of God; (iii) fires, strikes, embargoes, wars or riots; or (iv) any other similar event or cause beyond the control of the affected party. Any delay resulting from any of said causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes will not excuse payments of amounts owed by Franchisee to Franchisor hereunder.

36. DELEGATION BY FRANCHISOR

Franchisor shall have the right to delegate performance of any or all of its obligations and duties hereunder. Franchisee hereby agrees to such delegation.

37. REVIEW OF AGREEMENT

Franchisee acknowledges that it has had a copy of the Franchisor's franchise disclosure document for at least 14 calendar days before signing any franchise or related agreement; or at least 14 calendar days before the payment of any consideration to Franchisor. Franchisee has had the opportunity to have this Agreement and the business offered hereunder reviewed by professionals of Franchisee's choosing prior to executing this Agreement.

38. NO RIGHT TO SET OFF

Franchisee agrees that it will not set off or withhold payment of any amounts it owes Franchisor on the grounds of Franchisor's alleged nonperformance of any of Franchisor's obligations under this Agreement or for any other reason. Franchisee agrees that all such claims will, if not otherwise resolved, be submitted to arbitration as provided in Section 31.2.

39. CUMULATIVE RIGHTS

The rights granted hereunder are cumulative, and no exercise or enforcement by either party of any right or remedy hereunder will preclude the exercise or enforcement of any other right or remedy to which either Franchisor or Franchisee are entitled.

40. ENTIRE AGREEMENT

This Agreement and any addendum, schedule or exhibit attached hereto contains the entire agreement between the parties hereto relating to the operation of the Facility and the franchised business and no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, have been made or relied upon by the parties other than those set forth herein. No agreement altering, changing, waiving or modifying any of the terms and conditions of this Agreement shall be binding upon either party unless and until the same is made in writing and executed by all interested parties. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in its most recent disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or Franchisee's representative.

41. COUNTERPARTS

This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original.

42. FRANCHISEE'S ACKNOWLEDGMENTS

42.1 Success Depends on Franchisee and No Warranties. Franchisee assumes sole responsibility for the operation of the business franchised hereunder and acknowledges that, while Franchisor may furnish advice and assistance to Franchisee from time to time during the term of this Agreement, Franchisor has no legal or other obligation to do so except as specifically set forth herein. In addition, Franchisee acknowledges that Franchisor does not guarantee the success or profitability of the business franchised hereunder in any manner whatsoever and shall not be liable therefor; in particular, Franchisee understands and acknowledges that the success and profitability of the business franchised hereunder depend on many factors outside the control of either Franchisor or Franchisee (such as interest rates, unemployment rates, demographic trends and the general economic climate) and there are significant risks in any business venture, but principally depend on Franchisee's efforts in the operation of the business and the primary factor in Franchisee's success or failure in the business franchised hereunder will be

Franchisee's own efforts. IN ADDITION, FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR AND ITS REPRESENTATIVES HAVE MADE NO REPRESENTATIONS OR WARRANTIES TO FRANCHISEE OTHER THAN OR INCONSISTENT WITH THE MATTERS SET FORTH IN THIS AGREEMENT, AND THAT FRANCHISEE HAS UNDERTAKEN THIS VENTURE SOLELY IN RELIANCE UPON THE MATTERS SET FORTH HEREIN AND FRANCHISEE'S OWN INDEPENDENT INVESTIGATION OF THE MERITS OF THIS VENTURE.

42.2 Anti-Terrorism Laws. Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws. In connection with such compliance, Franchisee and its owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(i) "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulation (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control, and any other government agency with jurisdiction over the parties to this Agreement and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war.

(ii) Franchisee and its owners certify that none of them, their respective employees, agents, bankers, affiliates or anyone associated with them is listed in the Annex to Executive Order 13224. Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex. (A copy of the Annex can be accessed on the internet at the following address: <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>.)

(iii) Franchisee certifies that it has no knowledge or information that, if generally known, would result in (a) Franchisee, (b) Franchisee's owners, employees, agents, bankers or affiliates or (c) anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

(iv) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities set forth in Section 18 above of this Agreement pertain to Franchisee's obligations under this Section 42.2.

(v) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's owners, agents, bankers, employees and affiliates shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or an affiliate of Franchisor, in accordance with Section 21.2(xvi) above.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

MONKEY JOE'S FRANCHISING, LLC

By:_____

Name:_____

Title:_____

FRANCHISEE:

If an Individual:

Signature:_____

Printed Name:_____

If other than an Individual:

[INSERT ENTITY NAME]

By:_____

Name:_____

Title:_____

Exhibit A

Franchised Site, Franchise Territory and Franchise Fee

Franchised Site: _____

Franchise Territory: _____

Franchise Fee (Section 4): \$_____

Exhibit B

Personal Covenants

(See Attached)

PERSONAL COVENANTS

Each of the undersigned ("you") agrees that:

1. All capitalized terms used but not defined in this Personal Covenants shall have the meaning set forth in that certain MONKEY JOE'S FRANCHISING, LLC FRANCHISE AGREEMENT, dated as of the ____ day of _____, 20____ (the "Franchise Agreement"), by and between MONKEY JOE'S FRANCHISING, LLC ("Franchisor"), and _____ ("Franchisee").

2. You are a Bound Party.

3. As an inducement to Franchisor to enter into the Franchise Agreement, and in consideration of the direct and personal benefits you will derive from the Franchise Agreement, you agree that: (i) you have read and understand all the provisions of Sections 20.1, 20.2, 20.3 and 31.3 of the Franchise Agreement; (ii) you will be personally bound by all of the obligations and covenants of Franchisee contained in Sections 20.1, 20.2, 20.3 and 31.3 as if such obligations and covenants were made and given personally by you directly to Franchisor; and (iii) such obligations and covenants are fair and reasonable and will not deprive you of your livelihood.

4. If any sentence, clause, paragraph, or combination of any of them in Sections 20.1, 20.2, 20.3 or 31.3 of the Franchise Agreement is held by a court of competent jurisdiction to be unenforceable as applied to you, then such unenforceable sentence, clause, paragraph, or combination may be modified by such court to the extent necessary to render it enforceable, and if it cannot be so modified, it shall be severed and the remainder of Sections 20.1, 20.2, 20.3 and 31.3 shall remain in full force and effect.

5. These personal covenants shall be governed by the internal laws of the State of Georgia, unless the law of your jurisdiction applies as provided for in Section 31.1 of the Franchise Agreement.

The undersigned hereby execute and deliver this instrument effective as of the Effective Date of the Franchise Agreement.

Signature

Signature

Print Name

Print Name

Date: _____, 20____

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

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Print Name

Date: _____, 20____

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Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Signature

Print Name

Date: _____, 20____

Exhibit C

Internet Web Sites and Listings Agreement

(See Attached)

Exhibit C-1

INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing Agreement") is made and entered into as of the ____ day of _____, 20__ (the "Effective Date"), by and between MONKEY JOE'S FRANCHISING, LLC, a Georgia limited liability company (the "Franchisor"), and _____, _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Monkey Joe's Franchising, LLC Franchise Agreement (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1. Interest in Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of Section 15.2 of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Facility or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2. Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3. Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful

Exhibit C-2

attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

- (i) Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;
- (ii) Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and
- (iii) Execute the Internet Companies' standard assignment forms or other documents in order to effect such transfer or termination of Franchisee's Interest.

2.4. Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5. Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.1. Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.2. Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3. No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.4. Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.5. Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6. Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7. Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8. Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

MONKEY JOE'S FRANCHISING, LLC

By:_____

Name:_____

Title:_____

FRANCHISEE:

If an Individual:

Signature:_____

Printed Name:_____

If other than an Individual:

[INSERT ENTITY NAME]

By:_____

Name:_____

Title:_____

Exhibit C-5

Exhibit D

Telephone Listing Agreement

(See Attached)

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the "Telephone Listing Agreement") is made and entered into as of the ____ day of _____, 20__ (the "Effective Date"), by and between MONKEY JOE'S FRANCHISING, LLC , a Georgia limited liability company (hereinafter the "Franchisor"), and _____ (the "Franchisee").

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Monkey Joe's Franchising, LLC Franchise Agreement (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Facility or the Marks (all of which right, title, and interest is referred to herein as Franchisee's "Interest").

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor or Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise

Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to effect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such

powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FRANCHISOR:

MONKEY JOE'S FRANCHISING, LLC

By:_____

Name:_____

Title:_____

FRANCHISEE:

If an Individual:

Signature:_____

Printed Name:_____

If other than an Individual:

[INSERT ENTITY NAME]

By:_____

Name:_____

Title:_____

Exhibit E

Franchisee Information

1. Franchisee's legal organization (circle one): (a) sole proprietorship; (b) partnership; (c) corporation; (d) limited liability company; or (e) other.

2. If Franchisee is not a sole proprietor, list of all its partners, members or shareholders or others holding any ownership interest in Franchisee:

| Name and address | % interest | Active in Operation of Business? (yes/no) |
|-----------------------------|------------|-------------------------------------------------|
| (a) _____ _____ _____ | _____ | _____ |
| (b) _____ _____ _____ | _____ | _____ |
| (c) _____ _____ _____ | _____ | _____ |
| (d) _____ _____ | _____ | _____ |

Exhibit E-1

3. If Franchisee is not a sole proprietor, list of Franchisee's officers, directors, managers and/or general partners:

| | <u>Name</u> | <u>Title</u> |
|-----|-------------|--------------|
| (a) | _____ | _____ |
| (b) | _____ | _____ |
| (c) | _____ | _____ |
| (d) | _____ | _____ |

[Signature Appears on Following Page]

Exhibit E-2

The undersigned certifies that all information contained in this Exhibit E is accurate and complete, and agrees to notify Franchisor promptly (and in any case within 15 days) upon any change in the information required to be disclosed in this Exhibit E.

FRANCHISEE:

If an Individual:

Signature:_____

Printed Name:_____

If other than an Individual:

[INSERT ENTITY NAME]

By:_____

Name:_____

Title:_____

Exhibit E-3

Exhibit F

Guaranty Agreement

(See Attached)

Exhibit F-1

GUARANTY AGREEMENT

In consideration of, and as an inducement to, the execution by Monkey Joe's Franchising, LLC ("Franchisor") of that certain Monkey Joe's Franchising, LLC Franchise Agreement, dated _____, 20__ (as the same from time to time may be amended, modified, extended or renewed, the "Franchise Agreement"), by and between _____ ("Franchisee") and Franchisor, the undersigned, for the term of the Franchise Agreement and any extension or renewal thereof, and thereafter until all obligations of Franchisee to Franchisor have been satisfied, jointly and severally, do hereby personally, absolutely, and unconditionally guarantee that Franchisee shall punctually pay and perform each and every undertaking, condition, and covenant set forth in the Franchise Agreement.

Each of the undersigned further waives acceptance and notice of acceptance of the foregoing obligations of Franchisee, notice of demand for payment of any indebtedness or for performance of any obligations hereby guaranteed, and any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition to the liability of the undersigned.

This Guaranty is a guarantee of payment and performance not merely one of collection. Each of the undersigned further consents and agrees that its liability under this Guaranty shall be direct and immediate and joint and several; that the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so; that such liability shall not be contingent or conditioned upon the pursuit of any remedies against Franchisee or any other person; and that such liability shall not be diminished, relieved or otherwise affected by the extension of time, credit or any other indulgence which Franchisor, its affiliates, successors or assigns may, from time to time, grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, or the release of any one or more of the undersigned hereunder, or the consent to assignment of the Franchise Agreement or any interest in Franchisee, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable throughout the term of the Franchise Agreement and any extension or renewal thereof and thereafter until all obligations of Franchisee to Franchisor have been satisfied.

Until all obligations of Franchisee to Franchisor have been satisfied, the obligations of the undersigned under this Guaranty shall remain in full force and effect without regard to, and shall not be released, discharged or in any way modified or affected by, any circumstance or condition (whether or not the undersigned shall have any knowledge or notice thereof), including, without limitation, any bankruptcy, insolvency, reorganization, composition, liquidation or similar proceeding, with respect to Franchisee or its properties or creditors, or any action taken by any trustee or receiver or by any court in any such proceeding. Each of the undersigned specifically waives any rights that may be conferred upon the undersigned as a guarantor or surety under the applicable law of any state. The remedies provided herein shall be nonexclusive and cumulative of all other rights, powers and remedies provided under the Franchise Agreement or by law or in equity.

The undersigned hereby agree that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder, any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and the Franchisee and the undersigned do guarantee and promise to perform all of the obligations of the Franchisee under the Franchise Agreement as so amended, compromised, released or altered.

Upon notice from Franchisor that Franchisee has failed to pay monies due and owing to Franchisor under the Franchise Agreement, any and each of the undersigned agree to cure the monetary default within five business days from such notice.

Upon the death of an undersigned, the estate of such undersigned shall be bound by this Guaranty but only for defaults and obligations hereunder existing at the time of death. The obligations of the surviving undersigned shall continue in full force and effect.

The undersigned expressly acknowledge that the obligations hereunder survive the termination of the Franchise Agreement.

Franchisor's failure to enforce all or any portion of its rights under this Guaranty shall not constitute a waiver of its ability to do so at any point in the future.

No delay or failure of Franchisor in the exercise of any right, power, or remedy shall operate as a waiver thereof, and no partial exercise by Franchisor shall preclude any further exercise thereof or the exercise of any other right, power or remedy.

This Guaranty shall be governed by and construed in accordance with the internal laws of the State of Georgia without recourse to Georgia (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guaranty would not be enforceable under the laws of Georgia, and if the business franchised under the Franchise Agreement is located outside of Georgia and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guaranty is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or other doctrine of law of the State of Georgia or any other state, which would not otherwise apply. Any litigation initiated under this Guaranty shall be instituted exclusively at Franchisor's discretion in the most immediate state judicial district and court encompassing Franchisor's headquarters and having subject matter jurisdiction thereof or the United States District Court encompassing Franchisor's headquarters. Each of the undersigned expressly agree that the undersigned is subject to the jurisdiction and venue of those courts for purposes of such litigation. Each of the undersigned hereby waive and covenant never to assert any claim that the undersigned is not subject to personal jurisdiction in those courts or that venue in those courts is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

If Franchisor chooses to proceed against the undersigned under this Guaranty, and Franchisor prevails, the undersigned shall reimburse Franchisor its costs and expenses associated with the proceeding, including its reasonable attorneys' fees, court costs and expenses.

[Signatures on next page]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed its signature this ____ day of _____, 20__.

GUARANTORS:

Agreed:

MONKEY JOE'S FRANCHISING, LLC

_____(SEAL)

Signature

By: _____

Address:

Name: _____

Its: _____

Social Security No.: _____

_____(SEAL)

Signature _____

Address:

Social Security No.: _____

_____(SEAL)

Signature _____

Address:

Social Security No.: _____

_____ (SEAL)

Signature _____

Address:

Social Security No.: _____

Exhibit G

State Specific Addenda

(See Attached)

Exhibit G-1

MONKEY JOE'S FRANCHISING, LLC
ADDENDUM TO FRANCHISE AGREEMENT

MONKEY JOE'S FRANCHISING, LLC
ADDENDUM TO FRANCHISE AGREEMENT

(Maryland)

The following Addendum modifies and supersedes the Monkey Joe's Franchising, LLC Franchise Agreement (the "Agreement") with respect to Monkey Joe's franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating a Monkey Joe's franchise in the State of Maryland pursuant to the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§ 14-201 through 14-233, as follows:

1. Notwithstanding anything contained in this Agreement to the contrary, all initial fees and payments due under this Agreement, including the initial franchise fee described in Section 4 of this Agreement, are deferred until 15 days after your Monkey Joe's Facility opens for business.
2. The general release language required as a condition of renewal, sale and/or assignment or transfer shall apply except for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Under certain circumstances, the Agreement requires Franchisee to submit to a court proceeding in the State where Franchisor's principal executive office is located. These provisions may run contrary to the Maryland Franchise Registration and Disclosure Law. Therefore, nothing will preclude Franchisee from being able to enter into litigation with Franchisor in Maryland.
4. Any claims arising under the Maryland Franchisor Registration and Disclosure Law must be brought within three years after the grant of the franchise.
5. No representation or acknowledgment by the Franchisee in the Agreement is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
6. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.
7. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

MONKEY JOE'S FRANCHISING, LLC

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

If an Individual:

Signature: _____

Print Name: _____

If other than an Individual:

By: _____

Name: _____

Title: _____

MONKEY JOE'S FRANCHISING, LLC
ADDENDUM TO FRANCHISE AGREEMENT
(Virginia)

The following Addendum modifies and supersedes the Monkey Joe's Franchising, LLC Franchise Agreement (the "Agreement") with respect to Monkey Joe's franchises offered or sold to either a resident of the State of Virginia or a non-resident who will be operating a Monkey Joe's franchise in the State of Virginia.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

1. The first sentence of Section 4 of the Agreement is deleted in its entirety and replaced with the following:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

MONKEY JOE'S FRANCHISING, LLC

If an Individual:

By: _____
Print Name: _____
Title: _____

Signature: _____
Print Name: _____

By: _____
Name: _____
Title: _____

EXHIBIT D
CONFIDENTIALITY AGREEMENT

(SEE ATTACHED)

**CONFIDENTIALITY AGREEMENT FOR
MONKEY JOE’S CONFIDENTIAL OPERATIONS MANUAL**

As an inducement to Monkey Joe’s Franchising, LLC (“Monkey Joe’s”) to disclose to the undersigned the confidential operations manual used by franchisees under the Money Joe’s franchise system (the “Manual”), the undersigned agrees: (i) to hold all information contained in the Manual in strict confidence as a valued trade secret and property right of Monkey Joe’s; (ii) not to disclose such information to any other person or entity unless such person or entity is subject to a confidentiality agreement with Monkey Joe’s and Monkey Joe’s has provided its written consent to such disclosure; (iii) not to use such information for its or any other person’s or entity’s benefit except in connection with the operation of a business licensed to the undersigned by Monkey Joe’s; and (iv) to immediately return all documents, including notes and copies, containing any information disclosed to the undersigned in the Manual.

The undersigned acknowledges that Monkey Joe’s may exercise all legal and equitable remedies available to it in enforcing this Agreement. The undersigned also acknowledges that a violation of the terms of this Agreement will cause irreparable injury to Monkey Joe’s, for which no adequate remedy at law may be available, and that Monkey Joe’s may, among other things, seek the issuance of an injunction prohibiting any conduct by the undersigned in violation of the terms of this Agreement. The undersigned agrees to pay all costs and expenses, including reasonable attorney’s fees, incurred by Monkey Joe’s in enforcing this Agreement.

Name: _____

Date: _____, 20____

EXHIBIT E
STATE SPECIFIC ADDENDA

[SEE ATTACHED]

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

Item 5 of this Disclosure Document is modified as follows:

All initial fees and payment shall be deferred until such time as the franchisor completes its initial obligations and the first outlet opens.

Item 17 of this Disclosure Document is modified as follows:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Although the Franchise Agreement and the Development Agreement each require litigation to be instituted in a court in close proximity to our principal executive office, you may institute litigation for violations of Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction located in the State of Maryland, subject to the arbitration provisions of the Franchise Agreement and the Development Agreement.

The Franchise Agreement and Development Agreement each provide for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11. U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

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

To the extent that any provisions of the Franchisee Disclosure Questionnaire require you to assent to any release, estoppel or waiver of liability as a condition to your purchasing a Monkey Joe's franchise, such provisions are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

ADDENDUM REQUIRED BY THE STATE OF VIRGINIA

Item 5 of this Disclosure Document is amended as follows:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

EXHIBIT F**CURRENT FRANCHISEES****(As of December 26, 2021)**

| <u>Last Name</u> | <u>First Name</u> | <u>Address</u> | <u>Address</u> | <u>City</u> | <u>State</u> | <u>Zip Code</u> | <u>Store Phone</u> |
|------------------|------------------------|-----------------------------------------|-----------------------------------------------|--------------------------|--------------|-----------------|----------------------------|
| <u>Lunce</u> | <u>Natasha</u> | <u>10301B Royal Palm Blvd.</u> | <u>-</u> | <u>Coral Springs</u> | <u>FL</u> | <u>33065</u> | <u>(954) 796- 6500</u> |
| <u>Carter**</u> | <u>Charles M.</u> | <u>9101 International Drive</u> | <u>-</u> | <u>Orlando</u> | <u>FL</u> | <u>32819</u> | <u>(407) 352- 8484</u> |
| <u>Carter</u> | <u>Charles M.</u> | <u>5471 Lake Howell Road</u> | <u>-</u> | <u>Winter Park</u> | <u>FL</u> | <u>32792</u> | <u>(407) 478- 4000</u> |
| <u>Lunce</u> | <u>Natasha</u> | <u>4993 Russell Pkwy.</u> | <u>Suites 370- 410 & 520- 570</u> | <u>Warner Robins</u> | <u>GA</u> | <u>31088</u> | <u>(478) 333- 6336</u> |
| <u>Futrell</u> | <u>Veronica</u> | <u>1850 Bryant Rd.</u> | <u>Ste. 120</u> | <u>Lexington</u> | <u>KY</u> | <u>40509</u> | <u>(859) 264- 0405</u> |
| <u>Mohammad</u> | <u>Eyad</u> | <u>9061 Watson Road</u> | <u>-</u> | <u>St. Louis</u> | <u>MO</u> | <u>63126</u> | <u>(314) 962- 5637</u> |
| <u>Paxton</u> | <u>Aerick</u> | <u>3608 Hartzdale Dr.</u> | <u>-</u> | <u>Camp Hill</u> | <u>PA</u> | <u>17011</u> | <u>(717) 635- 8300</u> |
| <u>Tran</u> | <u>Nhan Tri</u> | <u>15540 fm 529</u> | <u>-</u> | <u>Houston</u> | <u>TX</u> | <u>77095</u> | <u>(832) 427- 1375</u> |
| <u>Tran</u> | <u>Nhan Tri</u> | <u>511-A Mason Rd.</u> | <u>-</u> | <u>Houston</u> | <u>TX</u> | <u>77450</u> | <u>(832) 321- 4420</u> |
| <u>Tran</u> | <u>Nhan Tri</u> | <u>13316 Westheimer Road</u> | <u>Suite 300</u> | <u>Houston</u> | <u>TX</u> | <u>77077</u> | <u>(832) 321- 4420</u> |
| <u>Syed</u> | <u>Farhan</u> | <u>23521 Overland Dr</u> | <u>Suite120</u> | <u>Dulles</u> | <u>VA</u> | <u>20166</u> | <u>(703) 996- 8300</u> |
| <u>Nesbitt</u> | <u>Deborah</u> | <u>1800 N. Casaloma</u> | <u>-</u> | <u>Appleton</u> | <u>WI</u> | <u>54913</u> | <u>(920) 954- 5437</u> |
| <u>Miller</u> | <u>Donna Marie</u> | <u>4237 Green Bay Rd.</u> | <u>-</u> | <u>Kenosha</u> | <u>WI</u> | <u>53144</u> | <u>(262) 764- 3866</u> |
| <u>Miller</u> | <u>Jeffrey</u> | <u>2040 W. Bluemound Rd</u> | | <u>Waukesha</u> | <u>WI</u> | <u>53186</u> | <u>(262) 549- 3866</u> |

**FRANCHISEES WHO PURCHASED IN 2021 BUT WERE NOT OPERATIONAL BY
DECEMBER 26, 2021**

NONE.

EXHIBIT G

FRANCHISEES WHO HAVE LEFT THE SYSTEM

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

Facilities Terminated/Closed or Development Rights Terminated during Fiscal Year 2021 (As of December 26, 2021)

| Franchisee Name | Address | City | State | Zip Code | Phone |
|------------------------|------------------------|-------------|--------------|-----------------|--------------|
| Abiodun Oluwa | 108 Orle Dr. | Little Rock | AR | 72223 | 501-413-9474 |
| Jatan Patel | 85 Pembroke Pointe | Centerville | GA | 31028 | 478-955-4947 |
| Tarek Ellaicy | 10913 N Waterton | Dunlop | IL | 61525 | 309-693-9001 |
| Peter Souhleris | 762 Main St. | Boxford | MA | 01921 | 978-352-4931 |
| Jacob Vogel | 7250 Greentree Rd | Bethsda | MD | 20817 | 301-365-2267 |
| Timothy Klusas | 111 West Port Plaza | St. Louis | MO | 63146 | 314-275-8713 |
| James Brown | 7 Blue Heron Dr. | South Amboy | NJ | 08879 | 732-553-0305 |
| Timir Patel | 243 Chamfort Dr. | Lexington | SC | 29072 | 803-467-1249 |
| Joshua Barr | 12503 Maiden Creek Ct. | Bristow | VA | 20136 | 703-330-3321 |

Stores Transferred during Fiscal Year 2021

| Former Franchisee Name | Address | City | State | Zip Code | Phone |
|-------------------------------|----------------|-------------|--------------|-----------------|--------------|
| NONE | | | | | |

Franchisees that have not communicated with us within 10 week of the date of this Disclosure Document

| Franchisee Name | Address | City | State | Zip Code | Phone |
|------------------------|-----------------------|-------------|--------------|-----------------|--------------|
| Kent Gregory | 2155 Bent Creek Manor | Alpharetta | GA | 30005 | 770-569-1485 |

EXHIBIT H
FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

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05/23/22

Accrual Basis

Monkey Joe's Franchising
Balance Sheet
 As of April 30, 2022

| | Apr 30, 22 |
|----------------------------|-------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Bank of America | 5,217.49 |
| Total Checking/Savings | 5,217.49 |
| Accounts Receivable | |
| Accounts Receivable | 70,000.00 |
| Total Accounts Receivable | 70,000.00 |
| Other Current Assets | |
| Deferred Franchisee Fees | 71,000.00 |
| Due from MJ Gift Card | -2,402.98 |
| Due to/from MJoes NMF | -6,824.41 |
| RESTRICTED CASH | |
| Gift Card Account | 209,541.01 |
| NMF Fund Account | 254,254.13 |
| Total RESTRICTED CASH | 463,795.14 |
| Royalty Receivable | 12,743.16 |
| Total Other Current Assets | 538,310.91 |
| Total Current Assets | 613,528.40 |
| Fixed Assets | |
| Accumulated Depreciation | -7,159.00 |
| Computer Equipment | 7,159.00 |
| Total Fixed Assets | 0.00 |
| Other Assets | |
| INTANGIBLES | |
| Accumulated Amortization | -21,859.86 |
| Trademark | 118,247.00 |
| Web Design | 31,488.00 |
| Total INTANGIBLES | 127,875.14 |
| Total Other Assets | 127,875.14 |
| TOTAL ASSETS | 741,403.54 |

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05/23/22

Accrual Basis

Monkey Joe's Franchising
Profit & Loss
January through April 2022

| | Jan - Apr 22 |
|-----------------------------|--------------|
| Ordinary Income/Expense | |
| Income | |
| Royalties | 182,595.99 |
| Total Income | 182,595.99 |
| Expense | |
| EMPLOYEE RELATED EXPENSES | 29,682.98 |
| GENERAL & ADMIN | |
| Bank Service Fee | 1,170.30 |
| Cell Phone | 645.36 |
| Professional Fees | |
| Accounting Services | 2,000.00 |
| Auditing | 19,235.00 |
| Legal | 2,053.75 |
| Total Professional Fees | 23,288.75 |
| Total GENERAL & ADMIN | 25,104.41 |
| Total Expense | 54,787.39 |
| Net Ordinary Income | 127,808.60 |
| Other Income/Expense | |
| Other Expense | |
| Shared Services Allocations | 68,834.39 |
| Total Other Expense | 68,834.39 |
| Net Other Income | -68,834.39 |
| Net Income | 58,974.21 |

MONKEY JOE'S FRANCHISING, LLC
FINANCIAL STATEMENTS
(Audited)
FOR THE YEARS ENDED
DECEMBER 26, 2021, DECEMBER 27, 2020, AND DECEMBER 29, 2019



BURNS HERRING, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Gainesville, Georgia

MONKEY JOE’S FRANCHISING, LLC

INDEX TO FINANCIAL STATEMENTS

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| FINANCIAL STATEMENTS | |
| Balance Sheets | 3 |
| Statements of Income and Member’s Equity | 4 |
| Statements of Cash Flows | 5 |
| NOTES TO THE FINANCIAL STATEMENTS | 6 |



BURNS HERRING, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDIT REPORT

To the Member
Monkey Joe's Franchising, LLC

Opinion

We have audited the accompanying financial statements of Monkey Joe's Franchising, LLC (a Georgia corporation), which comprise the balance sheets as of December 26, 2021 and December 27, 2020 and the related statements of income and member's equity 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 Monkey Joe's Franchising, LLC as of December 26, 2021 and December 27, 2020, 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 of Opinion

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Flying Biscuit Franchising, Inc.'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 Flying Biscuits Franchising, Inc.'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.

Other Matter

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the accompanying balance sheet as of December 29, 2019 and the related statements of income and member's equity (deficit) and cash flows for the year then ended, and the related notes to the financial statements. We expressed an unmodified audit opinion on those audited financial statements in our report dated March 24, 2020.

Burns + Herring, LLC

Burns & Herring, LLC
Gainesville, GA
March 18, 2022

MONKEY JOE'S FRANCHISING, LLC
BALANCE SHEET
As at December 26, 2021, December 27, 2020, and December 29, 2019

ASSETS

| Current Assets | Note | 2021 | 2020 | 2019 |
|---------------------------------------------------------|-------------|----------------|----------------|----------------|
| Cash | | \$ 57,839 | \$ 19,520 | \$ 41,218 |
| Accounts receivable | 1 | 12,743 | 4,655 | 26,905 |
| Due from related party | | 892 | - | - |
| National marketing fund - restricted | 4 | 127,032 | 47,220 | 254,254 |
| National gift card fund - restricted | 4 | 315,254 | 308,312 | 209,541 |
| Franchise fees receivable | 1 | - | 25,000 | 65,000 |
| Total Current Assets | | 513,760 | 404,707 | 596,918 |
| Property and equipment, net of accumulated depreciation | 2 | 1,666 | 2,164 | - |
| Intangibles, net of accumulated amortization | 3 | 119,485 | 120,450 | 121,432 |
| Total assets | | 634,911 | 527,321 | 718,350 |

LIABILITIES AND EQUITY

| | | | | |
|-----------------------------------------------|---|----------------|------------------|------------------|
| Current Liabilities | | | | |
| Accounts payable | | 10,830 | 6,743 | 10,715 |
| National marketing fund liabilities | 4 | 127,032 | 47,220 | 254,254 |
| Due to national marketing fund | | 6,824 | 6,824 | 6,824 |
| National gift card liabilities | 4 | 315,254 | 308,312 | 209,541 |
| Due to national gift card fund | | 2,443 | 2,506 | - |
| Deferred franchise fees, current portion | 1 | 12,950 | 42,867 | 53,871 |
| Long term debt, current portion | 5 | - | 6,461 | - |
| Total Current Liabilities | | 475,333 | 420,933 | 535,205 |
| Deferred franchise fees, less current portion | 1 | 122,104 | 325,075 | 371,250 |
| Long term debt, less current portion | 5 | - | 25,515 | - |
| Total liabilities | | 597,437 | 771,523 | 906,455 |
| Equity | | | | |
| Member's equity (deficit) | | 37,474 | (244,202) | (188,105) |
| Total Equity | | 37,474 | (244,202) | (188,105) |
| Total Liabilities and Equity | | 634,911 | 527,321 | 718,350 |

See accompanying notes to the financial statements.

MONKEY JOE'S FRANCHISING, LLC
STATEMENT OF INCOME AND MEMBER'S EQUITY
For the Years Ended December 26, 2021, December 27, 2020, and December 29, 2019

| Revenues | 2021 | 2020 | 2019 |
|------------------------------------------|----------------|------------------|------------------|
| Franchise fees | \$ 17,523 | \$ 28,346 | \$ 42,021 |
| Sales-based fees | 577,517 | 351,449 | 1,361,062 |
| Fees resulting from terminations | 215,365 | 31,333 | 15,593 |
| Total Revenues | 810,405 | 411,128 | 1,418,676 |
| Operating Expenses | | | |
| General and administrative | 172,328 | 260,652 | 540,716 |
| Store development and support | - | 3,736 | 114,923 |
| Advertising | 165,826 | 132,126 | 438,339 |
| Bad debt expense | 25,000 | - | 6,000 |
| Amortization and Depreciation | 1,463 | 1,308 | 983 |
| Total Operating Expenses | 364,617 | 397,822 | 1,100,961 |
| Other Income and Expenses | | | |
| Other Income | 31,976 | 4,000 | - |
| Interest Expense | - | (186) | - |
| Total Other Income and Expenses | 31,976 | 3,814 | - |
| Net Income | 477,764 | 17,120 | 317,715 |
| Member's equity (deficit), beginning | (244,202) | (188,105) | (94,053) |
| Member's distributions | (196,088) | (73,217) | (411,767) |
| Member's equity (deficit), ending | 37,474 | (244,202) | (188,105) |

See accompanying notes to financial statements.

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MONKEY JOE'S FRANCHISING, LLC
STATEMENT OF CASH FLOWS
For the Years Ended December 26, 2021, December 27, 2020, and December 29, 2019

| | 2021 | 2020 | 2019 |
|-----------------------------------------------------------------------|----------------------|----------------------|----------------------|
| Cash Flows From Operating Activities | | | |
| Net income | \$ 477,764 | \$ 17,120 | \$ 317,715 |
| Amortization and depreciation | 1,463 | 1,308 | 983 |
| (Increase) decrease in accounts receivable | (8,088) | 22,250 | 12,737 |
| (Increase) decrease in other current assets | (86,754) | 108,263 | 84,735 |
| (Increase) decrease in deferred franchise costs, current portion | - | - | 8,500 |
| (Increase) decrease in amounts due from related parties | (892) | - | - |
| (Increase) decrease in franchise fees receivable | 25,000 | 40,000 | 30,000 |
| (Increase) decrease in deferred franchise costs, less current portion | - | - | 52,000 |
| Increase (decrease) in accounts payable and accrued expenses | 4,087 | (3,972) | (11,993) |
| Increase (decrease) in deferred franchise fees, current portion | (29,917) | (11,004) | 829 |
| Increase (decrease) in deferred franchise fees, less current portion | (202,971) | (46,175) | (8,443) |
| Increase (decrease) in other current liabilities | 86,691 | (105,757) | (72,167) |
| Total Cash Flows From Operating Activities | <u>266,383</u> | <u>22,033</u> | <u>414,896</u> |
| Cash Flows Used by Investing Activities | | | |
| Capital additions | - | (2,490) | - |
| Total Cash Flows From Investing Activities | <u>-</u> | <u>(2,490)</u> | <u>-</u> |
| Cash Flows Used By Financing Activities | | | |
| Proceeds from notes payable | - | 31,790 | 6,500 |
| Accrued interest on notes payable | - | 186 | - |
| Repayments / forgiveness in notes payable | (31,976) | - | - |
| Member's distributions | (196,088) | (73,217) | (411,767) |
| Total Cash Flows Used By Financing Activities | <u>(228,064)</u> | <u>(41,241)</u> | <u>(405,267)</u> |
| Net cash increase (decrease) | 38,319 | (21,698) | 9,629 |
| Cash at beginning of period | <u>19,520</u> | <u>41,218</u> | <u>31,589</u> |
| Cash At End of Period | <u><u>57,839</u></u> | <u><u>19,520</u></u> | <u><u>41,218</u></u> |

See accompanying notes to the financial statements.

MONKEY JOE'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 26, 2021, DECEMBER 27, 2020 AND
DECEMBER 29, 2019

1 Significant Accounting Policies

a. Nature of business/basis of preparation

Monkey Joe's Franchising, LLC (the "Company") was created as a limited liability company in the state of Georgia on March 21, 2005. The Company is engaged in offering and selling franchises and area development rights for the operation of individual franchise locations offering inflatable indoor play grounds for children, internet and television facilities for adults and children, as well as concessions and other related services.

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows. The Company maintains its accounts on a 52-53 week fiscal year. Fiscal year 2021, 2020, and 2019 contained 52 weeks.

b. Revenue recognition

The Company's policy is in accordance with FASB Accounting Standards Codification (ASC) 606, Contracts with Customers. Five core principals are applied; Identify the contract(s) with a customer, identify the performance obligations in the contract, determine the transaction prices, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the entity satisfies a performance obligation.

Initial franchise fees are allocated between distinct and non-distinct fees. Distinct fees are recognized as revenue when all of the initial services are substantially completed, all conditions related to the sale of the franchise have been substantially performed by the Company, and the franchise has commenced operations. Non distinct fees are recognized over the term of the Franchise Agreement starting when the franchise has commenced operations.

Direct costs related to franchise sales for which revenue has not been recognized ordinarily are deferred until the revenue has been recognized.

Fees from market development agreements are recognized as revenue on a pro-rata basis based on the number of stores opened to date to the total stores to be developed as stipulated in the agreement.

Franchise royalty revenues are based on franchisee sales and are recognized as earned.

MONKEY JOE'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 26, 2021, DECEMBER 27, 2020 AND
DECEMBER 29, 2019

1 Significant Accounting Policies

b. Revenue recognition (continued)

The following is a summary of franchise operations as of December 26, 2021:

| | Franchises Sold | Franchises Open |
|--------------------------------------------------------|--------------------|--------------------|
| Beginning of the year | 29 | 15 |
| Franchises sold/opened during the year | 0 | 0 |
| Franchises terminated/closed as of the end of the year | 12 | 1 |
| | 17 | 14 |

The following is a summary of franchise operations as of December 27, 2020:

| | Franchises Sold | Franchises Open |
|--------------------------------------------------------|--------------------|--------------------|
| Beginning of the year | 43 | 33 |
| Franchises sold/opened during the year | 1 | 1 |
| Franchises terminated/closed as of the end of the year | 15 | 19 |
| | 29 | 15 |

The following is a summary of franchise operations as of December 29, 2019:

| | Franchises Sold | Franchises Open |
|--------------------------------------------------------|--------------------|--------------------|
| Beginning of the year | 54 | 39 |
| Franchises sold/opened during the year | 2 | 3 |
| Franchises terminated/closed as of the end of the year | 13 | 9 |
| | 43 | 33 |

MONKEY JOE'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 26, 2021, DECEMBER 27, 2020 AND
DECEMBER 29, 2019

1 Significant Accounting Policies

b. Revenue recognition (continued)

Revenue is disaggregated by type which includes franchise fees, sales-based fees (royalty and advertising), and timing. Monkey Joe's Franchising, LLC. disaggregates revenue from contracts with franchisee's into categories that depict the nature, amount, timing, and uncertainty of revenue and cash flows.

The following table presents information for the year ended December 26, 2021:

| | Distinct | Non-Distinct | Terminations | Sales Based Fees | Total |
|---------------------------------------------|----------|--------------|--------------|------------------|---------|
| <u>Segment</u> | | | | | |
| Franchise Fees | | 17,523 | 215,365 | | 232,888 |
| Sales Based Fees | | | | 577,517 | 577,517 |
| Total | | 17,523 | 215,365 | 577,517 | 810,405 |
| <u>Timing of Revenue Recognition</u> | | | | | |
| Transferred at a point in time | | | 215,365 | 577,517 | 792,882 |
| Services performed over time | | 17,523 | | | 17,523 |
| Total | | 17,523 | 215,365 | 577,517 | 810,405 |

The following table presents information for the year ended December 27, 2020:

| | Distinct | Non-Distinct | Terminations | Sales Based Fees | Total |
|---------------------------------------------|----------|--------------|--------------|------------------|---------|
| <u>Segment</u> | | | | | |
| Franchise Fees | | 28,346 | 31,333 | | 59,679 |
| Sales Based Fees | | | | 351,449 | 351,449 |
| Total | | 28,346 | 31,333 | 351,449 | 411,128 |
| <u>Timing of Revenue Recognition</u> | | | | | |
| Transferred at a point in time | | | 31,333 | 351,449 | 382,782 |
| Services performed over time | | 28,346 | | | 28,346 |
| Total | | 28,346 | 31,333 | 351,449 | 411,128 |

MONKEY JOE'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 26, 2021, DECEMBER 27, 2020 AND
DECEMBER 29, 2019

1 Significant Accounting Policies

b. Revenue recognition (continued)

The following table presents information for the year ended December 29, 2019:

| | Distinct | Non-Distinct | Terminations | Sales Based Fees | Total |
|---------------------------------------------|----------|--------------|--------------|------------------|-----------|
| <u>Segment</u> | | | | | |
| Franchise Fees | 15,500 | 26,521 | 15,593 | | 57,614 |
| Sales Based Fees | | | | 1,361,062 | 1,361,062 |
| Total | 15,500 | 26,521 | 15,593 | 1,361,062 | 1,418,676 |
| <u>Timing of Revenue Recognition</u> | | | | | |
| Transferred at a point in time | 15,500 | | 15,593 | 1,361,062 | 1,392,155 |
| Services performed over time | | 26,521 | | | 26,521 |
| Total | 15,500 | 26,521 | 15,593 | 1,361,062 | 1,418,676 |

Deferred franchise fees and costs represent payments and expenses in relation to franchisees prior to the satisfaction of the corresponding performance obligations. Deferred franchisee fees and costs are recognized as the corresponding performance obligations are satisfied.

c. Income taxes

The Company with the consent of its shareholder, has elected under the Internal Revenue Code to be an S Corporation. In lieu of corporate income taxes, the shareholder(s) of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

The Company accounts for income taxes in accordance with recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 740, Income Taxes. ASC 740 requires that deferred income taxes reflect the tax consequences on future years of differences between the tax basis of assets and liabilities and their financial reporting amounts. ASC 740 requires the Company to report information regarding its exposure to various tax positions taken by the Company and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold.

Management believes that the Company has adequately addressed all tax positions and that there are no unrecorded tax liabilities for the years ended December 26, 2021, December 27, 2020, and December 29, 2019.

MONKEY JOE'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 26, 2021, DECEMBER 27, 2020 AND
DECEMBER 29, 2019

1 Significant Accounting Policies

c. Income taxes (continued)

Furthermore, Monkey Joe's Franchising, LLC income tax returns for 2018 through 2020 are subject to examination (generally three years after filing) by the Internal Revenue Service.

d. Financial instruments

The Company has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

e. Impairment of long-lived assets

In the event that facts and circumstances indicate that the Company's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The Company considers that no circumstances exist that would require such an evaluation.

f. Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

g. Receivables

The Company provides for doubtful accounts equal to the estimated collection losses that will be incurred in the collection of the receivables. The estimated losses are based upon historical collection experience along with a review of the current status of all existing receivables. In management's opinion, no allowance for doubtful accounts was necessary as of December 26, 2021, December 27, 2020, and December 29, 2019.

h. Compensated absences

The financial statements do not include an accrual of compensated absences liability as the amount cannot be reasonably estimated. Compensated absences are expensed as incurred. Management does not believe this accrual to be material to the financial statements.

i. Advertising cost

The Company follows the policy of charging the costs of advertising to expense as incurred.

MONKEY JOE'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 26, 2021, DECEMBER 27, 2020 AND
DECEMBER 29, 2019

1 Significant Accounting Policies

j. Concentrations

Financial instruments which potentially subject the Company to concentrations of credit risk are principally receivables. Concentrations of credit risk with respect to receivables are limited due to the number of franchisees comprising the Company's franchisee base and their dispersion across different geographic regions. To reduce risk, the Company routinely assesses the financial strength of its franchisees and, as a consequence, believes that its receivable credit risk exposure is limited.

The Company maintains its cash balances in a financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) to a limitation of \$250,000 per depositor, per insured bank, for each ownership category. Under this limitation, the Company had deposits in excess of the amount insured at December 26, 2021, December 27, 2020, and December 29, 2019 of \$250,125, \$126,977, and \$257,082 respectively.

k. Trademark

In fiscal year 2006, the Company acquired a trademark for the word mark Monkey Joe's. In accordance with Accounting Standards Codification Topic 350, Intangibles – Goodwill and Other, the trademark is not amortized as it is deemed to possess an indefinite life. The Company reviews the trademark for impairment on an annual basis or more frequent if events or circumstances occur that indicate the carrying value may exceed the fair value. An impairment charge was not deemed necessary at December 26, 2021, December 27, 2020, or December 29, 2019 and for the years then ended.

2 Property and equipment

Property and equipment consist of the following at December 26, 2021:

| | Cost | Accumulated Depreciation | 2021 Net Book Value |
|------------------|-------------|-------------------------------------|------------------------------------|
| Office equipment | \$7,201 | \$(5,535) | \$1,666 |
| Total | \$7,201 | \$(5,535) | \$1,666 |

Property and equipment consist of the following at December 27, 2020:

| | Cost | Accumulated Depreciation | 2020 Net Book Value |
|------------------|-------------|-------------------------------------|------------------------------------|
| Office equipment | \$7,201 | \$(5,037) | \$2,164 |
| Total | \$7,201 | \$(5,037) | \$2,164 |

MONKEY JOE'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 26, 2021, DECEMBER 27, 2020 AND
DECEMBER 29, 2019

Property and equipment consist of the following at December 29, 2019:

| | Cost | Accumulated Depreciation | 2019 Net Book Value |
|------------------|-------------|-------------------------------------|------------------------------------|
| Office equipment | \$7,159 | \$(7,159) | \$- |
| Total | \$7,159 | \$(7,159) | \$- |

Depreciation of assets was \$498, \$326, and \$0 for the years ended December 26, 2021, December 27, 2020, and December 29, 2019 respectively. Estimated depreciation expense is \$498 for each of the next three years.

3 Intangibles

Intangibles consist of the following at December 26, 2021:

| | Average Life | Cost | Accumulated Amortization | Net 2021 |
|----------------------------|-------------------------|-------------|-------------------------------------|-----------------|
| Trademark | IND | \$118,247 | \$ - | \$118,247 |
| Web design and development | 15 | 31,488 | (30,250) | 1,238 |
| Total | | \$149,735 | \$(30,250) | \$119,485 |

Intangibles consist of the following at December 27, 2020:

| | Average Life | Cost | Accumulated Amortization | Net 2020 |
|----------------------------|-------------------------|-------------|-------------------------------------|-----------------|
| Trademark | IND | \$118,247 | \$ - | \$118,247 |
| Web design and development | 15 | 31,488 | (29,285) | 2,203 |
| Total | | \$149,735 | \$(29,285) | \$120,450 |

Intangibles consist of the following at December 29, 2019:

| | Average Life | Cost | Accumulated Amortization | Net 2019 |
|----------------------------|-------------------------|-------------|-------------------------------------|-----------------|
| Trademark | IND | \$118,247 | \$ - | \$118,247 |
| Web design and development | 15 | 31,488 | (28,303) | 3,185 |
| Total | | \$149,735 | \$(28,303) | \$121,432 |

Amortization of intangible assets was \$965, \$965, and \$983 for the years ended December 26, 2021, December 27, 2020, and December 29, 2019. Estimated amortization expense for each of the two succeeding fiscal years is:

| | |
|--------------|----------------|
| 2022 | \$876 |
| 2023 | 362 |
| Total | \$1,238 |

MONKEY JOE'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 26, 2021, DECEMBER 27, 2020 AND
DECEMBER 29, 2019

4 National marketing fund and national gift card fund

The Company established a separate national marketing fund to administer funds collected from franchisees for advertising. The franchisees are required to contribute a bi-weekly fee of 2% of the net sales of the franchisee to the national marketing fund. The Company, as franchisor, administers the national marketing fund. The funds collected are used for advertising, marketing, public relations, and the purchase of promotional supplies and other related services and expenses. The unused balances in the fund are recorded as restricted funds with an offsetting liability. The balance in the fund at December 26, 2021, December 27, 2020, and December 29, 2019 was \$127,032, \$47,220, and \$254,254 respectively.

The Company established a separate national gift card fund to administer funds collected from franchisees for gift card settlements. The vendor collects or refunds the net gift card activity from each store into the corporate gift card bank account on a monthly basis. The balance in this account is reported as restricted funds with an offsetting liability. The balance in the fund at December 26, 2021, December 27, 2020, and December 29, 2019 was \$315,254, \$308,312, and \$209,541 respectively.

5 Related party transactions

The Company entered into and executed a Shared Services Agreement with Big Game Brands, LLC, an affiliated company. Big Game Brands, LLC allocated costs and other expenses to the Company for the years ended December 26, 2021, December 27, 2020, and December 29, 2019 totaling \$61,808, \$57,783 and \$211,814, respectively.

The Company had a receivable from Big Game Brands, LLC at December 26, 2021, December 27, 2020, and December 29, 2019 of \$892, \$0, and \$0 respectively.

6 Legal proceedings

From time to time, the Company may have asserted or unasserted claims arising in the normal course of business. The Company does not expect losses, if any, arising from the asserted or unasserted claims to have a direct and material effect on the financial statements.

7 Long Term Debt

The Company received a Note from a Bank in the amount of \$31,790 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These funds were subject to the Note dated May 11, 2020. The Company has applied for, and received, full forgiveness and satisfaction of the Note including all applicable accrued interest on March 1, 2021.

MONKEY JOE'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 26, 2021, DECEMBER 27, 2020 AND
DECEMBER 29, 2019

8 Subsequent events

Subsequent events have been evaluated through March 18, 2022, which is the date the financial statements were available to be issued.

The COVID-19 pandemic in the United States has caused business disruption through mandated and voluntary closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. Therefore, the Company expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

EXHIBIT I
FRANCHISEE DISCLOSURE QUESTIONNAIRE

[SEE ATTACHED]

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Monkey Joe's Franchising, LLC ("we", "us" or "our") and you are preparing to enter into a Development Agreement and Franchise Agreement for the operation of a Monkey Joe's franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Development Agreement and/or Franchise Agreement and pay your development and/or franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

- | | | | |
|-------|------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yes__ | No__ | 1. | Have you received and personally reviewed the Development Agreement, the Franchise Agreement and each exhibit and schedule attached to them? |
| Yes__ | No__ | 2. | Have you received and personally reviewed the Franchise Disclosure Document ("Disclosure Document") we provided? |
| Yes__ | No__ | 3. | Did you sign a receipt for the Disclosure Document indicating the date you received it? |
| Yes__ | No__ | 4. | Do you understand all the information contained in the Disclosure Document, the Development Agreement, and the Franchise Agreement? |
| Yes__ | No__ | 5. | Have you reviewed the Disclosure Document, the Development Agreement, and the Franchise Agreement with a lawyer, accountant or other professional advisor? |
| Yes__ | No__ | 6. | Have you discussed the benefits and risks of developing and operating a Monkey Joe's franchise with an existing Monkey Joe's franchisee? |
| Yes__ | No__ | 7. | Do you understand the risks of developing and operating a Monkey Joe's franchise? |
| Yes__ | No__ | 8. | Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace? |
| Yes__ | No__ | 9. | Do you understand we have only granted you a limited territorial protection against us locating another Monkey Joe's Facility near your Facility(ies) as set forth in your Development Agreement and Franchise Agreement and that another Monkey Joe's franchise or company Facility may open anywhere outside your limited protected territory. |
| Yes__ | No__ | 10. | Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the production, distribution and sale of food products and other products under the Monkey Joe's name or other mark, at any |

location, other than a Monkey Joe's Facility within your limited protected territory, or by any method of distribution even within your limited protected territory, and these other Facilities or methods of distribution may compete with your Monkey Joe's Facility(ies) and adversely affect its sales?

- | | | | |
|-------|------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yes__ | No__ | 11. | Do you understand that the only radius restriction concerning where another franchised or company Monkey Joe's Facility may open is the limited protected territory specified in your Development Agreement and Franchise Agreement? |
| Yes__ | No__ | 12. | Do you understand that most disputes or claims you may have arising out of or relating to the Development Agreement and/or the Franchise Agreement must be litigated in the courts closest to our principal executive office or arbitrated at the office of the American Arbitration Association closest to our principal executive office? |
| Yes__ | No__ | 13. | Do you understand that you (and your manager if you will employ one full-time) must satisfactorily complete our initial training course before we will allow your Monkey Joe's Facility to open? |
| Yes__ | No__ | 14. | Has any employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Monkey Joe's franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? |
| Yes__ | No__ | 15. | Has any employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in the Development Agreement and the Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document? |
| Yes__ | No__ | 16. | Has any employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Monkey Joe's franchise will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? |

Yes__ No__ 17. Do you understand that the Development Agreement and the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the Monkey Joe's Facility, meaning any prior oral or written statements not set out in the Development Agreement or the Franchise Agreement will not be binding?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

Special note for residents of the State of Maryland and franchised businesses located in Maryland: Nothing in this Franchisee Disclosure Questionnaire shall act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER AND USE ADDITIONAL PAPER IF NECESSARY]:

EXHIBIT J

ACKNOWLEDGMENT AND RELEASE FOR SITE ASSIGNMENT

[SEE ATTACHED]

ACKNOWLEDGMENT AND RELEASE FOR SITE ASSIGNMENT

This Acknowledgment and Release for Site Assignment (this "Acknowledgment") dated _____, 20__ (the "Effective Date"), by and between Monkey Joe's Franchising, LLC ("Franchisor") and _____ ("Developer").

RECITALS

A. Developer and Franchisor entered into a Development Agreement dated _____, including all exhibits, addenda, amendments, and attachments (collectively, the "Development Agreement"), to develop Monkey Joe's Facilities.

B. Developer has requested that Franchisor assign a lease for a site located at _____ (the "Site") that Franchisor leased under the terms of a lease with a third party.

C. Developer wishes to (i) acknowledge certain facts related to the Site and (ii) release Franchisor in consideration for Franchisor's assignment of the lease for the Site.

D. All capitalized words not defined in this Acknowledgment will have the same meaning as in the Development Agreement.

NOW, THEREFORE, the parties, in exchange for the promises and commitments of each party to the other, agree as follows:

1. Acknowledgment.

1.1 Developer has voluntarily requested that Franchisor assign the lease for the Site. Developer's acquisition of the Site, by the assignment of the lease from Franchisor, shall be at the sole risk and responsibility of Developer. Developer understands and agrees that Franchisor's approval of the Site for a Monkey Joe's Facility and assignment of the lease are not an assurance or a guarantee by Franchisor of the suitability of the Site for a Monkey Joe's Facility or the success of any particular Monkey Joe's Facility established at the Site. Developer acknowledges and agrees that the suitability of the Site and the success of any Monkey Joe's Facility depends on many factors outside the control of either Franchisor or Developer (including, without limitation, such factors as interest rates, unemployment rates, demographic trends and the general economic climate) and further principally depends on Developer's efforts in the operation of the Monkey Joe's Facility. In no event shall Franchisor be liable to Developer in connection with providing any assistance or advice with respect to the selection of the Site or the assignment of the lease.

1.2 Neither Franchisor nor any employee or other person speaking on Franchisor's behalf has made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Developer may earn, or the total amount of revenue a Monkey Joe's Facility will generate at the Site.

1.3 Franchisor's initial lease of Site only signifies that the Site satisfied Franchisor's minimum site selection criteria at the time Franchisor leased the Site and Developer shall not construe Franchisor's lease of the Site as a representation or warranty that a Monkey Joe's Facility located at the Site will be successful.

1.4 IN ADDITION, DEVELOPER ACKNOWLEDGES AND AGREES THAT FRANCHISOR AND ITS REPRESENTATIVES HAVE MADE NO REPRESENTATIONS OR

WARRANTIES TO DEVELOPER RELATED TO THE SITE OR THE OPERATION OF THE MONKEY JOE'S FACILITY AT THE SITE, AND THAT DEVELOPER HAS UNDERTAKEN THIS VENTURE AND ASSUMED THE LEASE SOLELY IN RELIANCE UPON THE DEVELOPER'S OWN INDEPENDENT INVESTIGATION OF THE MERITS OF THE SITE.

1.5 Developer has been free to choose legal counsel and Developer has retained legal counsel of its choosing that has represented Developer in the lease assignment and evaluation of the lease and lease assignment. Developer acknowledges that (i) Developer has been advised by legal counsel on the terms of the lease, (ii) Developer understand the terms of the lease, and (iii) the terms of the lease are commercially reasonable.

2. Release.

2.1 Effective as of the Effective Date set forth below, the Developer, for itself and its affiliates, and for its and its affiliates' directors, officers, shareholders, partners, members, managers, employees and agents, and for the predecessors, successors, assigns, heirs, administrators and executors of it and any and all of them (collectively, the "Developer Parties"), hereby releases, remises, acquits, and forever discharges Franchisor, its affiliates, its and its affiliates' directors, officers, shareholders, members, managers, employees and agents, and the predecessors, successors, assigns, heirs, administrators and executors of it and any or all of them (collectively, the "Franchisor Parties"), from and against any and all obligations, debts, liabilities, demands, claims, actions, causes of action, loss, losses, damage, and damages (actual, consequential, multiplied, exemplary, enhanced, punitive, or otherwise), of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, for any matter, accruing or arising prior to the Effective Date (collectively, "Claims"), arising out of or related to: (i) the Site; (ii) the operation of the Monkey Joe's Facility at the Site; (iii) the assumption of the lease, (iv) Franchisor's lease of the Monkey Joe's Facility (including the terms of the lease), and (v) the approval of the Site for a Monkey Joe's Facility.

2.2 Developer acknowledges and agrees that the release given by Developer set forth in this Section 2 has been voluntarily given and Developer has had the opportunity to consult with its legal counsel with respect to such release. Developer represents and warrants to Franchisor that no Claims released under this Section 2 have been assigned to any third party.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Acknowledgment as of the Effective Date.

FRANCHISOR:

MONKEY JOE'S FRANCHISING, LLC

By:_____

Name:_____

Title:_____

DEVELOPER:

If an Individual:

Signature:_____

Printed Name:_____

If other than an Individual:

[INSERT ENTITY NAME]

By:_____

Name:_____

Title:_____

SPECIAL NOTE FOR RESIDENTS OF THE STATE OF MARYLAND AND FRANCHISED BUSINESSES LOCATED IN MARYLAND: None of the representations in this Acknowledgment and Release are intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

EXHIBIT K

COCA-COLA PARTICIPATION AGREEMENT

[SEE ATTACHED]

Date: _____

[Franchisee Name]

[Franchisee Title]

[Franchisee's legal business name]

[street address]

[City, State, and Zip]

Re: Beverage Marketing Agreement by and between Monkey Joe's Franchising, Inc.
("MJF") and Coca-Cola North America ("CCNA"), a division of The Coca-Cola
Company December 20, 2006 (the "Agreement")

Dear _____:

CCNA offers a marketing, service and equipment program to MJF and its franchisees to participate in CCNA's program as described in the above-referenced Agreement. This letter ("Participation Letter") will confirm that the MJF Franchisee set forth in the signature line below ("Franchisee" or "you"), will participate in CCNA's program.

Beverage Availability. Under the Agreement, MJF franchisees will be required to serve a core brand set of Fountain Beverages that consist of Coca-Cola classic, diet Coke and Sprite, and the remaining products will be jointly selected by MJF and CCNA. Additionally, while participating in CCNA's programs, all fountain beverages and frozen beverages served in Franchisee's franchised outlet(s) ("Franchised Outlet") must be CCNA's brands. In exchange for pouring the core brand set of Fountain Beverages, MJF franchisees will be eligible to receive certain fountain beverage equipment and services from CCNA at no charge, all as provided in the Agreement and more particularly in the "Equipment" and "Service" sections below. The purpose of this Participation Letter is to confirm that you received this letter and understand its contents including the obligation to pour only CCNA brand fountain beverages. Further, by signing this Participation Letter, you recognize that the sale of competitive beverages in bottles, cans or other packaging would diminish the product availability rights given to CCNA under the Agreement, and therefore also agree not to serve competitive beverages in bottles, cans or other packaging in your Franchised Outlet, except as provided for in the Agreement.

Funding. The parties acknowledge that CCNA will provide certain marketing funding for the Monkey Joe's franchise system and some of this funding is based upon purchases by Franchisee of CCNA's fountain syrups. All funding provided under the Agreement will be disbursed by CCNA to MJF and not to any individual franchisee. MJF agreed all the funding it receives under the Agreement will be used to develop and implement activities designed to benefit the entire Monkey Joe's system, including

specifically, Franchised Outlets, and to help increase the sale of CCNA's Fountain Beverages throughout the entire Monkey Joe's Participating System (as defined in the Agreement).

Equipment. CCNA will lease to Franchisee the equipment owned by CCNA that is currently installed in the existing Franchised Outlets. CCNA will also lease to Franchisee for each newly opened or acquired Franchised Outlet necessary to dispense a quality Fountain Beverage as mutually agreed upon by CCNA and MJF. No ice makers or water filters will be provided.

All equipment leased to Franchisee will be leased at an annual lease rate calculated by multiplying the total installed cost of equipment by the then-current lease factor. The lease factor currently in effect for new equipment is .24. Should the standard lease factor change during the Term, any equipment installed after the change goes into effect will be subject to the new lease factor.

Lease charges will be deducted from funding earned under the Agreement on a quarterly basis. The lease of equipment is subject to the terms and conditions of CCNA's standard lease agreement (the "Lease"), except as specifically changed by the Agreement. The Lease terms are attached as **Exhibit "A"** and are a part of the Agreement.

Service. Franchisee may use CCNA's Service Network for service to its Fountain Beverage dispensing equipment and will be charged at CCNA's then current rates (including labor, travel time, parts, and administrative costs). CCNA is not responsible for any service to the ice machines or water filtration systems. You will be provided with information regarding CCNA's Phone Fix™, preventative maintenance systems, and small parts program. Fountain Beverage service costs will be deducted from funding earned under the Agreement.

Frozen Beverage Equipment and Service. CCNA will not provide frozen beverage dispensing equipment. Franchisee is responsible for purchasing Frozen Beverage dispensing equipment and for all service needs related to Frozen Beverage dispensing equipment.

Termination. Once Franchisee signs this Participation Letter, it may be terminated before the scheduled expiration date of the Agreement only in the following circumstances:

- (i) Franchisee or CCNA may terminate the Participation Letter if the other party fails to comply with a material term or condition of the Agreement and does not remedy the failure within ninety (90) days after receiving written notice of non-compliance (the "Cure Period").
- (ii) Unless you transfer your Franchised Outlet and the transferee assumes your obligation under this Participation Letter as described in the "Transfers and Assignments" section below or unless CCNA does not consent to the assignment and assumption of this Participation Letter, CCNA may terminate the Participation Letter if there is a transfer or closing of twenty percent (20%) or more of the Franchised Outlets (other than transfers to MJF or transfers between and amongst existing and newly established franchisees, and/or MJF), or a transfer of a substantial portion of the assets of Franchisee that is not in the ordinary course of business. CCNA's unreasonable withholding of its consent to the assignment or assumption may not be a cause for termination under this subsection (ii) of this Participation Letter.
- (iii) CCNA may terminate if CCNA exercises its right of termination pursuant to the Agreement Termination Section (iii).
- (iv) CNA may terminate if Franchisee ceases to operate as a Monkey Joe's franchisee unless you transfer your Franchisee Outlet and the transferee assumes your obligation under this Participation Letter.

Upon expiration or termination, Franchisee must return any dispensing equipment owned by CCNA. Unless CCNA exercises its right to terminate the Agreement as described above in item (iii), Franchisee will pay the following at the time of expiration or termination:

The unamortized portion of the cost of installation (including non-serialized parts (e.g., pumps, racks and regulators) and other ancillary equipment, and the entire cost of remanufacturing and removal of all equipment (including shipping and handling charges) owned by CCNA.

Interest on the amounts due to CCNA at the rate of 0.625% percent per month, accrued from the date the unearned funds were paid or costs were incurred. Notwithstanding anything to the contrary herein, the foregoing is not payable by you upon expiration of this Participation Letter.

This does not restrict the right of either party to pursue other remedies or damages if the other party breaches the terms of the Agreement. The prevailing party shall be entitled to attempt to recover all costs and expenses incurred to collect damages due including without limitation reasonable attorneys' fees. Nothing herein shall be construed as a waiver of any right of either party to prove consequential damages as a result of a breach by the other party, but not limited to lost profits, and other damages allowable.

Transfers and Assignments. If there is a transfer of twenty percent (20%) or more of the Franchised Outlets (other than transfers to MJF or transfers between and amongst existing and newly established franchisees, and/or MJF), or a transfer a substantial portion of the assets of Franchisees that is not in the ordinary course of business, and CCNA does not elect to terminate this Participation Letter under the "Termination" section above, Franchisee shall use its best efforts to cause the acquiring, surviving or newly created business to assume all of Franchisee's obligations under the Participation Letter with regard to the acquired business. This Participation Letter shall not be otherwise assignable by either party without the express written consent of the other party which shall not be unreasonably withheld.

If Franchisee transfers or closes any Franchised Outlets, Franchisee shall pay CCNA the unamortized portion of the cost of installation, and the entire cost of remanufacturing and removal of all equipment owned by CCNA, as detailed on **Exhibit "A,"** in such Franchised Outlet, if the equipment is installed for less than 100 months prior to the transfer or closure, unless Franchisee causes the new owner or operator at the location to assume the lease of the equipment on terms acceptable to CCNA in its reasonable discretion.

A. Confidentiality. Neither party shall disclose to any third party without the prior written consent of the other party, any information concerning this Agreement or the transactions contemplated hereby, except for disclosure to any employees, attorneys, accountants and consultants involved in assisting with the negotiation and closing of the contemplated transactions, or unless such disclosure is required by law. A party that makes a permitted disclosure must obtain assurances from the party to whom disclosure is made that such party will keep confidential the information disclosed.

If this Participation Letter is signed by Franchisee on or by February 28, 2007, then this Participation Letter is effective as of July 1, 2006. Otherwise, if this Participation Letter is signed on or after March 1, 2007, then this Participation Letter is effective as of the first day of the month in which the Agreement is signed by Franchisee. This Participation Letter will continue until the Agreement between MJF and CCNA has expired or is terminated.

Sincerely,

Ben J. Shanley

East Region Vice President, Foodservice & Hospitality

(FRANCHISEE LEGAL NAME)

By: _____
(Signature)

Name: _____

Title: _____

Address: _____

EXHIBIT "A" - COCA-COLA FOUNTAIN EQUIPMENT LEASE AGREEMENT

1. **LEASE AGREEMENT AND TERM.** The Coca-Cola Company, through its Coca-Cola North America division, ("Company") hereby leases to the account identified on the attached Beverage Marketing Agreement ("Lessee") all fountain beverage dispensing equipment provided to Lessee (the "Equipment"), subject to the terms and conditions set forth in this Lease Agreement. Unless otherwise agreed in writing, the Equipment shall also include, where applicable, all permanent merchandising, menu boards, refrigeration units, ice makers and water filtration equipment installed by Company on Lessee's premises. Each piece of Equipment is leased commencing on its installation date (the "Commencement Date"). Lessee may request the removal of any Equipment upon thirty (30) days prior written notice to Company. Removal of Equipment will not affect the term of any other agreement between the parties, such as a Beverage Marketing Agreement. If this Lease is terminated with respect to any piece of Equipment for any reason prior to 100 months from the Commencement Date for that piece of Equipment, Lessee will pay Company the actual cost of removal of that Equipment, as well as the unamortized portion of the cost of (i) installation, (ii) non-serialized parts (e.g., pumps, racks and regulators) and other ancillary equipment, (iii) remanufacturing, and (iv) standard shipping and handling charges. The terms of this Lease will continue in effect with respect to each piece of Equipment until the Equipment has been removed from Lessee's premises and will survive the expiration or termination of the Beverage Marketing Agreement.

2. **RENT FOR THE EQUIPMENT.** All equipment leased to Lessee will be leased at an annual rate calculated by multiplying the total installed cost of equipment by the then-current lease factor, plus all applicable sales and use taxes, if any, as rent for the Equipment. Rent will be due monthly. At Company's discretion, Company may utilize funds due Lessee to offset amounts due Company under this Agreement. If Lessee fails to pay, within 10 days of its due date, rent or any other amount required by this Lease to be paid to Company, Lessee shall pay to Company a late charge equal to five percent (5%) per month of such overdue payment, or such lesser amount that Company is entitled to receive under any applicable law.

3. **TITLE TO THE EQUIPMENT.** Title to the Equipment is, and will at all times remain, vested in Company. Lessee will have no right, title, or interest in or to the Equipment, except the right to quiet use of the Equipment in the ordinary course of its business as provided in this Lease. Lessee shall execute such title documents, financing statements, fixture filings, certificates and such other instruments and documents as Company shall reasonably request to ensure to Company's satisfaction the protection of Company's title to the Equipment and Company's interests and benefits under this Lease. Lessee shall not transfer, pledge, lease, sell, hypothecate, mortgage, assign or in any other way encumber or dispose of any of the Equipment. THE PARTIES AGREE, AND LESSEE WARRANTS, THAT THE EQUIPMENT IS, AND WILL AT ALL TIMES REMAIN, PERSONAL PROPERTY OF COMPANY NOTWITHSTANDING THAT THE EQUIPMENT OR ANY PART THEREOF MAY NOW BE, OR HEREAFTER BECOME, IN ANY MANNER AFFIXED OR ATTACHED TO, OR EMBEDDED IN, OR PERMANENTLY RESTING UPON, REAL PROPERTY OR IMPROVEMENTS ON REAL PROPERTY. Lessee may perform ordinary maintenance and repairs to the Equipment as required by this Lease, but shall not make any alterations, additions, or improvements to the Equipment without the prior written consent of Company. All parts added to the Equipment through alterations, repairs, additions or improvements will constitute accessions to, and will be considered an item of the Equipment and title to such will immediately vest in Company. Lessee agrees that Company may transfer or assign all or any part of Company's right, title and interest in or to any Equipment (in whole or in part) and this Lease, and any amounts due or to become due, to any third party ("Assignee") for any reason. Upon receipt of written notice from Company of such assignment, Lessee shall perform all its obligations with respect to any such Equipment for the benefit of the applicable Assignee, and, if so directed, shall pay all amounts due or to become due hereunder directly to the applicable Assignee or to any other party designated by such Assignee.

4. **USE OF EQUIPMENT.** Lessee acknowledges that the rent does not fully compensate Company for its expenses concerning its research and development efforts designed to improve fountain equipment or in providing the Equipment to Lessee, and that Company provides the Equipment to Lessee for the purpose of dispensing Company products. Therefore, Lessee agrees that if the Equipment is a fountain beverage dispenser, then the Equipment will be used for the purpose of dispensing fountain beverage products of Company, such as Coca-Cola® classic (or Coke®), diet Coke® and Sprite®, with the understanding that, if the dispenser has four (4) or more valves, one (1) valve may be used at Lessee's option for dispensing one (1) non-Company, non-cola fountain beverage product; provided, that no product of PepsiCo, Inc. or of an affiliate thereof may be dispensed. Lessee further agrees not to dispense any product whose pungency could affect normal operation of the Equipment. In accordance with Company's Fair Share Policy, Company will have the right to additional rent if any valve is used for a non-Company beverage (including water), at a rate of not less than \$45 per dispenser per year. If the Equipment is a pump for bag-in-box or similar container, such pump may be used only to dispense Company products. If the Equipment is other than a fountain beverage dispenser or a pump, then it will be used only in a location where fountain beverage products of Company are served and where no fountain beverage products of PepsiCo, Inc. or an affiliate of PepsiCo, Inc. are served. This Section 4 shall not apply within the State of Wisconsin.

5. **INSPECTION AND NOTIFICATION.** Company shall have the right during Lessee's regular business hours to inspect the Equipment at Lessee's premises or wherever the Equipment may be located and to review all records that relate to the Equipment. Lessee shall promptly notify Company of all details arising out of any change in location of the Equipment, any alleged

encumbrances thereon or any accident allegedly resulting from the use or operation thereof.

6. **WARRANTY DISCLAIMER:** LESSEE ACKNOWLEDGES THAT COMPANY IS NOT A MANUFACTURER OF THE EQUIPMENT AND THAT COMPANY HAS MADE NO REPRESENTATIONS OF ANY NATURE WHATSOEVER PERTAINING TO THE EQUIPMENT OR ITS PERFORMANCE, WHETHER EXPRESS OR IMPLIED, INCLUDING (WITHOUT LIMITATION) ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTIES RELATING TO THE DESIGN, CONDITION, QUALITY, CAPACITY, MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR ITS PERFORMANCE, OR ANY WARRANTY AGAINST INTERFERENCE OR INFRINGEMENT, OR ANY WARRANTY WITH RESPECT TO PATENT RIGHTS, IF ANY, PERTAINING TO THE EQUIPMENT. COMPANY SHALL NOT BE RESPONSIBLE FOR ANY LOSS OF PROFITS, ANY DIRECT, INCIDENTAL OR CONSEQUENTIAL LOSSES, OR DAMAGES OF ANY NATURE WHATSOEVER, RESULTING FROM THE DELIVERY, INSTALLATION, MAINTENANCE, OPERATIONS, SERVICE OR USE OF ANY EQUIPMENT OR OTHERWISE.

7. **TAXES.** Lessee shall pay all assessments, license fees, taxes (including sales, use, excise, personal property, ad valorem, stamp, documentary and other taxes) and all other governmental charges, fees, fines or penalties whatsoever, whether payable by Company or Lessee, on or relating to the Equipment or the use, registration, rental, shipment, transportation, delivery, or operation thereof, and on or relating to this Lease.

8. **MAINTENANCE AND REPAIRS.** If Lessee elects to use one valve to dispense one (1) non-Company beverage pursuant to Section 4, Company may charge for its costs of servicing such valve in accordance with Company's Fair Share Policy at a rate of not less than \$25 per outlet per year. Lessee shall, at its expense, keep the Equipment in good condition, repair, and working order. Lessee shall pay all costs incurred in connection with the shipment, use, operation, ownership, or possession of the Equipment during the term of this Lease. Lessee's sole recourse against Company with respect to service provided by Company or its agents to the Equipment is that Company will correct any defective workmanship at no additional charge to Lessee, provided that Company is given prompt notification of any defective workmanship. Company shall not be otherwise liable for negligent acts or omissions committed in regard to maintenance or repair of the Equipment and assumes no responsibility for incidental, consequential or special damages occasioned by such negligent acts or omissions.

9. **RISK OF LOSS.** All risk of loss, including damage, theft or destruction, to each item of Equipment will be borne by Lessee. No such loss, damage, theft or destruction of Equipment, in whole or in part, will impair the obligations of Lessee under this Lease, all of which will continue in full force and effect.

10. **INDEMNITY.** Lessee shall indemnify Company and Company's officers, agents, employees, directors, shareholders, affiliates, successors, and assigns (hereinafter the "Indemnified Parties") against, and hold Indemnified Parties wholly harmless from, any and all claims, actions, suits, proceedings, demands, damages, and liabilities of whatever nature, and all costs and expenses, including without limitation Company's reasonable attorneys' fees and expenses, relating to or in any way arising out of (a) the ordering, delivery, rejection, installation, purchase, leasing, maintenance, possession, use, operation, control or disposition of the Equipment or any portion thereof; (b) any act or omission of Lessee, including but not limited to any loss or damage to or sustained by Company arising out of Lessee's failure to comply with all the terms and conditions of this Lease; (c) any claims for liability in tort with respect to the Equipment, excepting only to the degree such claims are the result of Company's negligent or willful acts. The provisions of this Section 10 will survive termination and expiration of this Lease.

11. **DEFAULT.** The occurrence of any of the following will constitute a "Default" by Lessee: (a) nonpayment by Lessee when due of any amount due and payable under this Lease; (b) failure of Lessee to comply with any provision of this Lease, and failure of Lessee to remedy, cure, or remove such failure within ten (10) days after receipt of written notice thereof from Company; (c) any statement, representation, or warrant of Lessee to Company, at any time, that is untrue as of the date made; (d) Lessee's becoming insolvent or unable to pay its debts as they mature, or Lessee making an assignment for the benefit of creditors, or any proceeding, whether voluntary or involuntary, being instituted by or against Lessee alleging that Lessee is insolvent or unable to pay its debts as they mature; (e) appointment of a receiver, liquidator, trustee, custodian or other similar official for any of the Equipment or for any property in which Lessee has an interest; (f) seizure of any of the Equipment; (g) default by Lessee under the terms of any note, document, agreement or instrument evidencing an obligation of Lessee to Company or to any affiliate of Company, whether now existing or hereafter arising; (h) Lessee taking any action with respect to the liquidation, dissolution, winding up or otherwise discontinuing the conduct of its business; (i) Lessee transferring all or substantially all of its assets to a third party; or (j) the transfer,

conveyance, assignment or pledge of a controlling interest or ownership of Lessee to a third party without Company's prior written consent.

12. OPTION TO ACCELERATE AT WILL. If at any time Company in good faith believes that the prospect for Lessee's payment or other performance under this Lease is impaired, Company may demand immediate payment of all rents due and scheduled to come due during the remainder of the Lease term. All future rent accelerated under this or any other provision of this Agreement will be discounted to present value, which will be computed at a discount rate of five (5) percent. Failure of Lessee to make full payment within thirty (30) days of its receipt of the demand for accelerated rent will constitute a "Default" by Lessee as defined in Section 11.

13. REMEDIES. Upon the occurrence of any Default or at any time thereafter, Company may terminate this Lease as to any or all items of Equipment, may enter Lessee's premises and retake possession of the Equipment at Lessee's expense, and will have all other remedies at law or in equity for breach of the Lease. Lessee acknowledges that in the event of a breach of Sections 4 or 5 or a failure or refusal of Lessee to relinquish possession of the Equipment in breach of this section following termination or Default, Company's damages would be difficult or impossible to ascertain, and Lessee therefore agrees that Company will have the right to an injunction in any court of competent jurisdiction restraining said breach and granting Company the right to immediate possession of the Equipment.

14. LIQUIDATED DAMAGES. If Lessee acts in violation of the prohibitions described in Section 3 of this Agreement, or is unable or unwilling to return the Equipment to Company in good working order, normal usage wear and tear excepted, at the expiration or termination of the Lease, Lessee shall pay as liquidated damages the total of: (i) the amount of past-due lease payments, discounted accelerated future lease payments, and the value of Company's residual interest in the Equipment, plus (ii) all tax indemnities associated with the Equipment to which Company would have been entitled if Lessee had fully performed this Lease, plus (iii) costs, interest, and attorneys' fees incurred by Company due to Lessee's violation of Section 3 or its failure to return the Equipment to Company, minus (iv) any proceeds or offset from the release or sale of the Equipment by Company.

15. OTHER TERMS. Lease represents and warrants that it complies with all applicable laws and regulations and all appropriate practices with respect to food safety including the storing, preparation and serving of food. Furthermore, lease acknowledges and agrees to comply with all equipment manufactures' specifications and product dispensing and preparation instructions and specifications. No failure by Company to exercise and no delay in exercising any of Company's rights hereunder will operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or of any other rights. This Lease constitutes the entire agreement of the parties and supersedes all prior oral and written agreements between the parties governing the subject matter of this Lease; provided, however, that if Company and Lessee have entered into a Marketing Agreement into which this Lease is incorporated, to the extent that any of the terms in this Lease conflict with the terms set forth in the Marketing Agreement, the terms of the Marketing Agreement will control. No agreement will be effective to amend this Lease unless such agreement is in writing and signed by the party to be charged thereby. Any notices permitted or required by this Lease will be in writing and mailed by certified mail or hand delivered, addressed to the respective addresses of the parties. All claims, actions or suits arising out of the Lease shall be litigated in courts in either the State of Georgia or in the state of Lessee's principal place of business. Each party hereby consents to the jurisdiction of any local, state or federal court located within the State of Georgia and/or the state of Lessee's principal place of business, and designates the Secretary of State of the State as its agent for service of process. **THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF GEORGIA.** Time is of the essence to each and all the provisions on this Lease.

EXHIBIT L

GENERAL RELEASE

[SEE ATTACHED]

GENERAL RELEASE

This General Release is made effective this ____ day of _____, 20___. In consideration for the grant by Monkey Joe's Franchising, LLC, a Georgia limited liability company ("Monkey Joe's"), to the undersigned of certain rights in connection with the operation of a Monkey Joe's facility and/or the transfer or renewal thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, individually and collectively, hereby unconditionally release, discharge, and acquit Monkey Joe's, its past and present subsidiaries and affiliates, and its and their shareholders, owners, directors, officers, managers, members, partners, employees, agents, representatives, successors and assigns, from any and all liabilities, damages, claims, demands, costs, expenses, debts, indemnities, suits, disputes, controversies, actions and causes of action of any kind whatsoever, whether known or unknown, fixed or contingent, regarding or arising out of any prior or existing franchise relationship, development agreement, franchise agreement or any other agreement executed by any of the undersigned and Monkey Joe's (or any subsidiary or affiliate of Monkey Joe's), any Monkey Joe's facility (whether currently or previously owned or operated by the undersigned or any of them), or any other prior or existing business relationship between any of the undersigned and Monkey Joe's (or any subsidiary or affiliate of Monkey Joe's), which the undersigned or any of them individually or collectively has asserted, may have asserted or could have asserted against Monkey Joe's (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims arising from contract, written or oral communications, alleged misrepresentations, and acts of negligence, whether active or passive. This General Release shall survive the assignment or termination of any of the franchise agreements or other documents entered into by and between Monkey Joe's and any of the undersigned. This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws nor is it intended to relieve Monkey Joe's or any other person, directly or indirectly, from liability imposed by the Maryland Franchise Registration and Disclosure Law. This General Release shall be governed by and construed in accordance with the laws of the State of Georgia without regard to its conflicts of law provisions.

WITNESS:

By: _____

Name: _____

Title: _____

_____, Individually

_____, Individually

EXHIBIT M
STATE EFFECTIVE DATES

[SEE ATTACHED]

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 | |
| Hawaii | |
| Illinois | |
| Indiana | |
| Maryland | Pending |
| Michigan | |
| Minnesota | |
| New York | |
| North Dakota | |
| Rhode Island | |
| South Dakota | |
| Virginia | |
| Washington | |
| Wisconsin | June 7, 2022 |

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 N
[SEE ATTACHED]

RECEIPT

This Disclosure Document summarizes provisions of the development agreement, the franchise agreement, and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Monkey Joe's Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. However, some state franchise laws require Monkey Joe's Franchising, LLC to provide this Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Monkey Joe's Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is as follows: _____,

6090 Roswell Road, Atlanta, GA 30328, (833) 665-5469.

The issuance date of this Franchise Disclosure Document is April 13, 2022 (except those states listed on Attachment M to this Disclosure Document that have a different effective date).

We authorize the respective agents identified on Exhibit A to receive service of process for us in the particular states.

I received a Disclosure Document from Monkey Joe's Franchising, LLC dated as of April 13, 2022, included the following Exhibits:

- A. State Agencies and Administrators and Franchisor's Agents for Service of Process
- B. Market Development Agreement
- C. Franchise Agreement
- D. Confidentiality Agreement
- E. State Specific Addenda (MD, VA)
- F. Current Franchisees
- G. Franchisees Who Have Left the System
- H. Financial Statements
- I. Franchisee Disclosure Questionnaire
- J. Acknowledgment and Release for Site Assignment
- K. Coca-Cola Participation Agreement
- L. General Release
- M. State Effective Dates
- N. Receipt

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or LLC:

If an individual:

(Name of corporation or LLC)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

(Signature)

(Print Name)

Address of corporation, LLC, or individual(s): _____

YOUR COPY- RETAIN FOR YOUR FILES

RECEIPT

This Disclosure Document summarizes provisions of the development agreement, the franchise agreement, and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Monkey Joe's Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. However, some state franchise laws require Monkey Joe's Franchising, LLC to provide this Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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- G. Franchisees Who Have Left the System
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- I. Franchisee Disclosure Questionnaire
- J. Acknowledgment and Release for Site Assignment
- K. Coca-Cola Participation Agreement
- L. General Release
- M. State Effective Dates/
- N. Receipt

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or LLC:

If an individual:

(Name of corporation or LLC)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

(Signature)

(Print Name)

Address of corporation, LLC, or individual(s): _____

OUR COPY- RETURN TO US