

**FRANCHISE DISCLOSURE DOCUMENT  
(UNIT FRANCHISE PROGRAM)**



**Mulberrys Franchising, LLC**  
a Texas limited liability company

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The franchise offered is for a business operated under the “Mulberrys Garment Care” trademark that offers premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, pick-up and drop-off delivery services and locker services, and related products and services using proprietary cleaning products and equipment and methods of operation.

The total investment necessary to begin operation of a Mulberrys Garment Care cleaning facility franchise is \$1,103,500 to \$2,669,000. This includes \$80,000 to \$127,500 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Mulberrys Garment Care retail store franchise is \$419,500 to \$1,119,000. This includes \$25,000 to \$42,500 that must be paid to the franchisor or its affiliates. These total investment ranges and amounts paid to the franchisor or our affiliates also apply to each Mulberrys Garment Care business that you develop under the Development Rights Agreement. If you sign a Development Rights Agreement, you must develop 1 or more Mulberrys Garment Care businesses, the first of which must be a Mulberrys Garment Care cleaning facility, and you will pay to the franchisor or our affiliate \$50,000 per Mulberrys Garment Care cleaning facility and \$20,000 per Mulberrys Garment Care retail store you plan to develop, which will be credited against the initial franchise fee due under each Franchise Agreement.

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

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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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 Dan Miller at 126 Macfarlane Drive, Delray Beach, Florida 33483 and 877-814-5421.

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

**Issuance Date:** April 14, 2025

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Mulberrys Garment Care business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Mulberrys Garment Care franchisee?</b>	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## **What You Need To Know About Franchising *Generally***

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

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

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

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

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

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

### **Some States Require Registration**

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

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

## Special Risk(s) to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Development Rights Agreement require you to resolve disputes with the franchisor by mediation in a location determined by the mediator (at least 200 miles from your franchised business), and by arbitration and/or litigation only in Florida. 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 these locations than in your own state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

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## EXHIBITS

Exhibit A.	State Specific Addenda to Disclosure Document
Exhibit B.	List of State Agencies and Agents for Service of Process
Exhibit C.	Table of Contents of Operations Manual
Exhibit D.	List of Outlets
Exhibit E.	Financial Statements
Exhibit F.	Franchise Agreement, Cleaning Facility Addendum to Franchise Agreement, Statement of Ownership and Management, Guaranty, General Release, Transfer Form, and State Specific Addenda to Franchise Agreement
Exhibit G.	Development Rights Agreement, Statement of Ownership and Management, Guaranty, and State Specific Addenda to Development Rights Agreement
Exhibit H.	Electronic Transfer of Funds Authorization
Exhibit I.	Franchisee Questionnaire

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

To simplify the language in this Disclosure Document, the “Company,” “we,” “us,” “our,” or the “Franchisor” means Mulberrys Franchising, LLC. “You,” “your,” or the “Franchisee” means the person, corporation, limited liability company, partnership, or other business entity that buys the franchise. If you are a corporation, limited liability company, partnership, or other entity, these terms also include your shareholders, members, partners, and owners who must sign a personal guaranty agreeing to comply with all provisions of the Franchise Agreement and Development Rights Agreement.

**The Franchisor**

We are a Texas limited liability company formed on July 31, 2019. Our principal business address is 126 Macfarlane Drive, Delray Beach, Florida 33483. We do business only under our company name, “Mulberrys Garment Care”, “Mulberrys”, and “Laundry Locker by Mulberrys”.

We previously offered unit franchises for Mulberry Garment Care businesses from October 2019 to April 2020 and again since May 2022. Our predecessor previously offered unit franchises for Mulberrys Garment Care businesses from January 2012 to January 2013. Although our affiliates have operated similar businesses, we have never operated a business of the type being franchised. From 2023 to 2024, we offered franchises for Mulberrys Garment Care master franchise businesses in the United States, and as of December 31, 2024, we had 1 master franchisee which had 1 subfranchised Mulberrys Garment Care business. Under this master franchise agreement, we granted to our master franchisee the right and license to grant subfranchises within the master franchisee’s territory for the establishment and operation of Mulberrys Garment Care cleaning facilities and retail stores that are substantially similar to those we offer under this Disclosure Document. We generally do not offer franchises in our master franchisee’s master territory. We may sell products or services to these subfranchisees. Neither our master franchisees, nor their subfranchisees, are affiliates of ours. Therefore, while we no longer offer Mulberrys Garment Care master franchises, we are in the business of offering new unit franchises for Mulberrys Garment Care cleaning facilities and retail stores, and supporting and selling products to our existing franchisees and, in some cases, our master franchisee’s subfranchisees. We have not offered franchises in any other line of business nor do we conduct business in any other line of business.

Our agents for service of process are disclosed on Exhibit B.

**The Business**

We offer franchises for the establishment, development, and operation of businesses that offer premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, pick-up and drop-off Delivery Services and Locker Services, and related products and services using proprietary cleaning products and equipment and methods of operation. These franchises will be operated under the Mulberrys Garment Care trademark and logo and other trademarks, trade names, service marks, and commercial symbols we may authorize (the “Marks”), and will be operated in a Cleaning Facility or Retail Store format. These businesses are referred to in this Disclosure Document as a “Franchised Business”.

You will operate your Franchised Business using our unique operating system, which, depending on the format of the Franchised Business, will include our proprietary biodegradable, non-toxic, and non-hazardous (perchloroethylene-free) cleaning solutions; recyclable and reusable packaging; proprietary and automated cleaning equipment, assembly and bagging equipment, bar code and video tracking system, and storage equipment; pick-up and drop-off Internet-based locker and delivery scheduling, notifications, and routing (only for Cleaning Facilities); Internet-based website and app for scheduling, notifications, routing, order tracking, and online payment processing; and other methods of operation and other know-how, information, trade secrets, and confidential information, as well as our standards, designs, methods of trademark and service mark usage, and research and development (the “System”). Typically, your Franchised Business will offer dry cleaning and wet cleaning, wedding dress cleaning, laundry services, shoe shine and repair, tailoring and alterations, leather cleaning, and bedding and rug

cleaning, and, optionally for Cleaning Facilities, pick-up and drop-off Delivery Services and Locker Services. We may change or otherwise modify the System at any time as we see fit.

We prefer franchisees who will be owner-operators. In any event, each Franchised Business must be directly supervised on-premises by a Manager (who may be the owner-operator) who will be responsible for the operation of the Franchised Business. Each Franchised Business will also require additional staff. Although no prior experience in operating a business is needed, we are looking for franchisees who have some prior business experience in the dry cleaning and laundry industry.

Your Franchised Business will be offered in either a Cleaning Facility or a Retail Store format, in either case operated under the Marks and using our System:

#### Cleaning Facility

A “Cleaning Facility” includes a retail storefront offering our approved products and services that is attached to a dry cleaning and laundry plant where dry cleaning and laundry services are performed on-site. The Cleaning Facility will require our proprietary cleaning equipment and storage equipment, along with the point of sale system and furniture, fixtures, and equipment we require for a retail storefront. The equipment will include our proprietary bar code and video tracking system for each garment or other item processed at the Cleaning Facility and our automated conveyor and assembly system for cleaning and packaging. The Cleaning Facility will use our proprietary biodegradable, non-toxic, and non-hazardous (perchloroethylene-free) cleaning solutions, recyclable and reusable packaging and recycled wooden hangers, and offer collar stay replacement.

Your Cleaning Facility may also offer off-site pick-up and drop-off lockers or kiosks under the name “Laundry Locker by Mulberrys” that you install and service within your Designated Territory, which lockers may be located in publicly-accessible locations or in locations serving a private or captive audience (“Locker Services”). Locker Services allow your customers to drop off items for cleaning at a nearby locker, which you then pick-up for servicing, before returning the items to the locker for pick-up by the customer. You may also offer pick-up and drop-off delivery services within your Designated Territory (“Delivery Services”). Delivery Services allow your customers to schedule a pick-up of items for cleaning from their home or work, which you then pick-up for servicing before delivering the items back to their home or work. Your Locker Services and Delivery Services will use our proprietary Internet-based software and mobile app for scheduling, notifications, and routing. Locker Services and Delivery Services are optional.

#### Retail Store

A “Retail Store” includes a retail storefront offering our approved products and services, but where on-site dry cleaning and laundry are not provided. All services performed or sold through the retail storefront must be processed at your or your affiliate’s Cleaning Facility or the Cleaning Facility of another Mulberrys Garment Care franchise or one of our or our affiliate’s Mulberrys Garment Care Cleaning Facilities. Because the Retail Store does not provide on-site dry cleaning and laundry, we typically require your first Mulberrys Garment Care franchise be a Cleaning Facility and that you have a Cleaning Facility in close proximity to your Retail Store(s), and you may not offer Locker Services or Delivery Services from your Retail Store. The Retail Store will require our approved point of sale system and furniture, fixtures, and equipment we require for a retail storefront. The equipment will include our proprietary bar code and photo tracking system for each garment or other item to be processed at a Cleaning Facility. Each Retail Store will be required to contract with a Cleaning Facility for processing, the terms and conditions of which we reserve the right to approve.

### **Franchise and Development Rights**

If we approve your application to become a Mulberrys Garment Care franchisee, you will sign our Development Rights Agreement in the form attached to this Disclosure Document as Exhibit G (the

“Development Rights Agreement”) and our then-current Franchise Agreement for each Cleaning Facility or Retail Store you develop and open under your Development Rights Agreement, which may differ from the form of Franchise Agreement attached to this Disclosure Document as Exhibit F.

#### Development Rights Agreement

Under the Development Rights Agreement, you will have the right to develop, open, and operate 1 or more Franchised Business(es) within a defined geographic area (the “Development Territory”) according to a mandatory development schedule (the “Development Schedule”). Your Development Rights Agreement may allow you or your affiliates to develop and open additional Franchised Businesses as Cleaning Facilities or Retail Stores within your Development Territory, according to our then-current System standards and other approval requirements. You or your affiliates will be required to sign our then-current form of Franchise Agreement for each Franchised Business you develop and open under the Development Rights Agreement, which may contain materially different terms and conditions than the Franchise Agreement attached to this Disclosure Document as Exhibit F.

We generally require that your first Franchised Business within the Development Territory be a Cleaning Facility, and that you have a Cleaning Facility in close proximity to your Retail Store(s) based on our current standards for locations and proximity. Depending on the size and geographic and demographic characteristics of your Development Territory, we may require that you have multiple Cleaning Facilities in your Development Territory. Only Cleaning Facilities and Retail Stores count towards meeting your Development Schedule, and lockers do not count towards meeting your Development Schedule.

#### Franchise Agreement

You or your affiliates must sign our standard franchise agreement for each Cleaning Facility and Retail Store franchise we grant to you. If we grant you a Cleaning Facility Franchised Businesses, you must also sign our Cleaning Facility Addendum to Franchise Agreement, which is attached to this Disclosure Document as Exhibit F. The franchise agreement and Cleaning Facility Addendum to Franchise Agreement if applicable (the “Franchise Agreement”) grants you the right to operate 1 Franchised Business in your Designated Territory, either in a Cleaning Facility or Retail Store format. You may not operate an additional Franchised Business, whether in your Designated Territory or elsewhere, unless you acquire additional franchise rights from us and sign another Franchise Agreement. The Franchised Business you operate may only provide the products and services we authorize. You must follow all of our policies and procedures when performing services including using the products we specify. We can add to, modify, or delete any products or services that you must offer or sell at any time as we determine, and change and modify our policies.

#### **Parents, Affiliates, and Predecessors**

We have no parents.

Although we do not operate any Mulberrys Garment Care businesses, our affiliate previously operated Mulberrys Garment Care Businesses. Our founder is the owner of King Street Trading LLC, a California limited liability company. The principal business address of our affiliate is 1050 Elmer Street, Belmont, California 94002. King Street Trading LLC has never offered Mulberrys Garment Care franchises or offered franchises in any other line of business. However, King Street Trading LLC operated 6 Mulberrys Garment Care businesses in California from 2016 to July 2024. Our affiliate may sell certain products and services to you.

In August 2019, our affiliate, King Street Trading LLC, and our predecessor, Mulberrys, LLC, assigned all of their respective interests in certain principal Marks to us, along with certain other rights to the System, and therefore King Street Trading LLC and Mulberrys, LLC are considered predecessors of us. Another predecessor of us, Mulberrys Ventures LLC, a Delaware limited liability company, was formed on September 21, 2011. Mulberrys Ventures LLC previously offered Mulberrys Garment Care franchises

from January 2012 to January 2013, but has not operated a business of the type being franchised and has not offered franchises in any other line of business. In August 2019, Mulberrys Ventures LLC assigned to us all of its intellectual property and trade secrets related to the Mulberrys Garment Care business, including certain principal Marks, which will be part of the System that you will use. The principal business address of Mulberrys, LLC and Mulberrys Ventures LLC was 2579 Fairview Avenue North, Roseville, Minnesota 55113.

### **Market and Competition**

Your Franchised Business will compete with other dry cleaning facilities, laundry services, or other businesses offering garment or fabric care products and services, whether franchised or non-franchised, and whether local, regional, or national. The market for retail dry cleaners is well developed and established, particularly in urban areas. However, we believe that Mulberrys Garment Care appeals to consumers because of our proprietary biodegradable, non-toxic, and non-hazardous (perchloroethylene-free) cleaning solutions; recyclable and reusable packaging; proprietary and automated cleaning equipment, assembly and bagging equipment, bar code and video tracking system, and storage equipment; pick-up and drop-off Internet-based locker and delivery scheduling, notifications, and routing (only for Cleaning Facilities); Internet-based website and app for scheduling, notifications, routing, order tracking, and online payment processing; and other methods of operation (including premium branding and store designs). You will compete with other independently-owned, franchised, and chain dry cleaning and laundry businesses and fabric and garment care providers. Your competition also includes home laundry facilities, certain laundromats providing laundry and garment cleaning and delivery services, and retailers selling dry cleaning and laundry products marketed for in-home use.

### **Industry Specific Regulations**

The U.S. Environmental Protection Agency prescribes air quality regulations specific to dry cleaning businesses, which may require you to obtain a permit, install pollution control equipment, and comply with various good housekeeping, monitoring, recordkeeping and reporting, and leak detection and repair specifications at your Franchised Business. You may also need to comply with federal, state, and local hazardous waste treatment, storage, and disposal requirements and wastewater treatment requirements. Many states have additional environmental regulations applicable to dry cleaning businesses that may be more stringent than the federal requirements, such as environmental fees imposed in some jurisdictions on dry cleaning processes and operations. You must also comply with all zoning laws and regulations that apply to your Franchised Business.

In addition to the specific laws discussed above, your Franchised Business will be subject to national, state, and local regulations that apply to all businesses, such as the Americans With Disabilities Act, wage and hour laws, consumer pricing and disclosure laws, occupational health and safety, equal employment opportunity, taxes, and business licensing and permitting requirements. These laws and regulations may apply to your Franchised Business. You should investigate these laws.

## **ITEM 2. BUSINESS EXPERIENCE**

### **Daniel Miller (President)**

Mr. Miller has been our President since our formation. He was the President of our predecessor, Mulberrys, LLC, from June 2008 to December 2018, located in Roseville, Minnesota, and the President of our predecessor, Mulberrys Ventures LLC, from September 2011 to August 2019.

**ITEM 3.  
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4.  
BANKRUPTCY**

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

**ITEM 5.  
INITIAL FEES**

**Development Rights Fee**

You are required to pay us a development rights fee of \$50,000 for each Cleaning Facility and \$20,000 for each Retail Store you agree to develop under your Development Rights Agreement, due and payable when you sign the Development Rights Agreement (the "Development Rights Fee"). There is no development rights fee for lockers, which also do not count towards your Development Schedule.

The Development Rights Fee is fully earned by us when you sign the Development Rights Agreement. The Development Rights Fee paid by you will be credited to the Initial Franchise Fee due under each Franchise Agreement you or your affiliate signs for each Cleaning Facility and Retail Store developed under the Development Rights Agreement. It is nonrefundable (except if we refund a portion of the Initial Franchise Fee as provided below), even if you fail to open the required Franchise Businesses under your Development Schedule.

**Extension Fee**

Under the Development Rights Agreement, we may grant you extensions to meet the Development Schedule in full-month increments. You must request from us an extension of the applicable deadline at least 14 days before the deadline date, and provide the number of full months of extensions requested. If we grant an extension on any deadline, we will determine the length of the extension in our sole discretion, not to exceed the number of full months requested by you, and you must pay an extension fee to us equal to \$2,000 per full month to compensate us for our costs, expenses, and lost opportunities related to the proposed extension (the "Extension Fee"). We may consider a variety of factors in granting or denying an extension, including the diligence you have shown in meeting the Development Schedule. The Extension Fee is fully earned by us when due and is nonrefundable, and will not be credited against any Initial Franchise Fee.

**Initial Franchise Fee**

You are required to pay us an initial franchise fee of \$50,000 for each Cleaning Facility and \$20,000 for each Retail Store due and payable when you sign the Franchise Agreement (the "Initial Franchise Fee"). If you paid a Development Rights Fee under the Development Rights Agreement, then we will credit that fee toward your Initial Franchise Fee as provided in the Development Rights Agreement. The Initial Franchise Fee is fully earned by us when you sign the Franchise Agreement. Except as provided below, it is nonrefundable and is not credited against any other obligation you have to us.

We may refund a portion of the Initial Franchise Fee paid by you if, after you have signed the Franchise Agreement but before you open your Franchised Business, we terminate the Franchise Agreement if we

determine that you or any other required Initial Training Program attendee fails to satisfactorily complete our Initial Training Program but you are otherwise in compliance with the Franchise Agreement and Development Rights Agreement, in which case we will refund up to 60% of the Initial Franchise Fee for the applicable Cleaning Facility or up to 50% of the Initial Franchise Fee for the applicable Retail Store. Your actual refund will be reduced by all reasonable expenses we incurred in relation to granting the Mulberrys Garment Care franchise to you and in terminating the Franchise Agreement, including any attorneys' fees, and will be offset against any other outstanding amounts you or your affiliates may owe us or our affiliates.

If you desire to convert a Retail Store to a Cleaning Facility, and we approve your conversion, you must pay us a \$15,000 conversion fee and sign our then-current form of Franchise Agreement, which may contain materially different terms and conditions than your original Franchise Agreement. This conversion fee is nonrefundable and is not credited against any other obligation you have to us.

In our fiscal year ending December 31, 2024, we collected \$20,000 and \$50,000 in initial franchise fees per Retail Store and Cleaning Facility, respectively, sold to franchisees.

### **Site Approval Expense Reimbursement**

You must reimburse us for a portion of our out-of-pocket travel and lodging expenses we incur during our site approval process, not to exceed \$5,000. Your reimbursement of these expenses is due upon completion of our site approval process and is nonrefundable and not credited against any other obligation you have to us.

### **Initial Training Program**

You, and your Manager if your Franchised Business is not owner-operated, must successfully complete our Initial Training Program within 60 days after you sign the Franchise Agreement but in any event before you open the Franchised Business. We do not charge for the Initial Training Program for the first 5 attendees attending the Initial Training Program together (including you, your Manager, and your employees), but the charge for any additional attendee(s) is \$2,500 per attendee if they attend with you. These amounts are nonrefundable.

### **Initial Inventory and Supplies**

You must purchase from us or our affiliate for your Franchised Business an initial inventory and supply of our Mulberrys Garment Care proprietary products and other approved products before opening your Franchised Business. This initial inventory and supplies typically includes the following: laundry and wet cleaning detergents, dry cleaning solvents, store merchandise, stain removers, uniforms, branded garment bags and hangers, branded collar stays, and garment packaging. The amount of the initial inventory required for your Franchised Business will depend on the size and format of your Franchised Business and the demographic and economic characteristics of its geographic location. For a Cleaning Facility, we estimate that you will spend between \$5,000 and \$10,000 for initial inventory expenses from us or our affiliate. For a Retail Store, we estimate that you will spend between \$0 and \$5,000 for initial inventory expenses from us or our affiliate. These amounts are nonrefundable.

You will be required to purchase additional supplies as necessary to replenish your stock (see Item 8).

### **Initial Equipment and Installation**

You must purchase from us or our affiliate for your Cleaning Facility a certain portion of your dry cleaning and laundry equipment, pumps that supply cleaning solutions, conveyors, pressing machines, drop boxes, storage and sorting equipment, and other equipment, along with installation services from us or our affiliate, before opening your Franchised Business. If you offer locker services from your Cleaning Facility, you must also purchase lockers from us or our affiliate. You must purchase from us or our

affiliate for your Retail Store limited equipment, which may include drop boxes and storage and sorting equipment, along with installation services, before opening your Franchised Business. We will determine the type and amount of equipment that you will need to purchase for your Franchised Business. The amount of the initial equipment required for your Franchised Business will depend on the size and format of your Franchised Business and the demographic and economic characteristics of its geographic location. For a Cleaning Facility, we estimate that you will expend between \$25,000 and \$50,000 for initial equipment and installation expenses from us or our affiliate, plus \$0 to \$10,000 for up to 20 lockers (which must be purchased from us or our affiliate). For a Retail Store, we estimate that you will expend between \$5,000 and \$10,000 for initial equipment and installation expenses from us or our affiliate. These amounts are nonrefundable.

**ITEM 6.  
OTHER FEES**

<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	6% of weekly Gross Sales	Wednesday of each week	(Note 1)
Marketing Fee	5% of weekly Gross Sales	Wednesday of each week	Marketing Fees received are deposited into a separate bank account and used for local, regional, or national advertising and promotions, public relations, market research, and Internet marketing.
Additional Training Fee	(Note 2)	Upon demand	(Note 2)
On-Site Training Fee	\$500 per day plus our reasonable travel and lodging expenses	Upon demand	If you request additional on-site training that we agree to provide, or you do not meet our standards and we require you to have additional on-site training, you must pay us our then-current daily fee plus our reasonable travel and lodging expenses.
Convention Fee	Varies depending on length and location of convention (up to \$1,000)	90 days before the convention	(Note 3)
Supplies and Inventory and Equipment Purchases	Varies depending on the type and quantity purchased	Upon demand	You must purchase certain supplies and inventory and equipment used in the Franchised Business from us or our affiliate. We currently estimate you will purchase between up to \$20,000 per year.

Type of Fee	Amount	Due Date	Remarks
Renewal Fee	\$6,000	At least 30 days before the term of your Franchise Agreement expires	Payable only if you want to renew your franchise.
Transfer Fee	Amount equal to then-current initial franchise fee, or if we are not offering franchises, then the Initial Franchise Fee paid by you for the initial franchise	Before you transfer your franchise	Payable only if you seek to sell or transfer your business or a majority interest in it.
Relocation Fee	\$7,500	Before you relocate your franchise	Payable only if you want to relocate your franchise.
Insurance	Varies	Upon demand	If we obtain insurance coverage for you, you must reimburse us for the costs of the premiums.
Audit	Cost of audit	Upon demand	Payable only if we audit your records and the audit shows an understatement of at least 5% of Gross Sales for any week, or 2% for any month.
Indemnification	Varies	As incurred	You must reimburse us if we are sued or held liable for claims arising from your Franchised Business.
Cost of Enforcement or Defense	All costs including accounting and attorneys' fees	As incurred	Payable only if we retain counsel following your breach of any obligation you have to us, or if we are successful in defending any claim you bring against us.
Interest	Lesser of 1.5% per month or highest rate of interest allowed by applicable law	As incurred	Payable on all overdue amounts.
Extension Fee (Development Rights Agreement)	\$2,000 per full month granted	Upon demand	You must pay us an Extension Fee for each full month of extensions we grant you under your Development Schedule.

All fees are paid to us and are nonrefundable (except as provided below). All fees are uniform for all new franchisees. Existing franchisees who have signed earlier franchise agreements may have different fees. Also, under earlier programs we offered, we charged lower Royalty Fees and Marketing Fees. Some of

our franchisees operate under these old programs. We do not currently offer these programs to new franchisees.

You must pay fees and other amounts due to us via electronic funds transfer or other similar means. To implement this procedure you must sign an agreement authorizing us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You will make the funds available to us for withdrawal by electronic transfer no later than the payment due date. If you have not timely reported the Gross Sales to us for any reporting period, we can, at our option, debit your account for the greater of: (a) 110% of the fees transferred from your account for the last reporting period for which a report of the Gross Sales was provided to us; (b) the amount due based on information we have regarding your business activities; or (c) 110% of the fees transferred from your account for the same period in the prior year. A sample form of this authorization is attached to this Disclosure Document as Exhibit H.

If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you are required to pay an additional amount equal to the amount of this tax. This does not apply to any federal or state income taxes we or our affiliates have to pay.

- Note 1. You must pay us a weekly Royalty Fee each Wednesday for Gross Sales of your Franchised Business in the prior calendar week (Monday to Sunday). "Gross Sales" means the total amount of revenues, income, receipts, and other fees received from customers for all business activities taking place by or through the Franchised Business, including, all amounts received from your sale of products and services whether made at or away from the Franchised Business, including through any lockers, kiosks, drop boxes, and delivery. There is excluded from Gross Sales customer refunds you actually make, amounts you collect and pay to any governmental taxing authority in satisfaction of sales or occupation taxes, and amounts received by a Cleaning Facility from a Retail Store that is separate from the Cleaning Facility for the dry cleaning, laundry, or other services performed by the Cleaning Facility on behalf of the Retail Store.
- Note 2. Any new Manager of your Franchised Business must complete our Initial Training Program. We charge \$5,000 for this training. We may also provide mandatory additional training if we feel you or your Manager are not meeting our standards. If we provide it, you or a staff member that we approve must attend this mandatory training. Our current charge for this mandatory training is \$100 per hour.
- Note 3. When we begin holding annual or biannual conventions for our franchisees, you or your Manager, if any, must attend those conventions. You must pay this fee to cover the cost of that registration, regardless of whether you attend the convention. If you want to send additional people to the convention, for each one you will pay an additional registration fee. The registration fee will be less than \$1,000 per person,.

**ITEM 7.  
ESTIMATED INITIAL INVESTMENT**

**Cleaning Facility (Note 1)**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee (Note 4)	\$50,000	\$50,000	Lump sum	Upon signing Franchise Agreement	Us
Site Approval Expense Reimbursement (Note 5)	\$0	\$5,000	Lump sum	As incurred	Us
Initial Training Program and Travel Costs (Note 6)	\$3,000	\$9,000	As incurred	As incurred during training	Us and vendors
Professional Fees and Licenses	\$2,500	\$6,500	As incurred	As incurred	Vendors and government agencies
Vehicle and Wrap (Note 7)	\$30,000	\$55,000	As incurred	As incurred	Vendors
Real Estate (Note 8)	\$325,000	\$1,610,000	As incurred	As incurred	Vendors
Equipment and Installation (Notes 8 and 9)	\$450,000	\$550,000	Lump sum	Before opening	Us and vendors
Lockers and Installation (Note 10)	\$0	\$10,000	Lump sum	Before opening	Us and vendors
Signs and Installation	\$25,000	\$40,000	Lump sum	Before opening	Vendors
Supplies and Inventory and Furniture and Fixtures (Note 11)	\$50,000	\$75,000	As incurred	Before opening	Us and vendors
Technology (Note 12)	\$10,000	\$20,000	As incurred	Before opening	Vendors
Insurance (Note 13)	\$1,000	\$1,500	Lump sum	As agreed	Vendors
Grand Opening Advertising (Note 14)	\$20,000	\$30,000	As incurred	As incurred	Vendors

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Additional Funds – 3 Months (Note 15)	\$137,000	\$207,000	As incurred	As incurred	Us, vendors, and government agencies
<b>Total (Note 16)</b>	<b>\$1,103,500</b>	<b>\$2,669,000</b>			

**Retail Store (Note 2)**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee (Note 4)	\$20,000	\$20,000	Lump sum	Upon signing Franchise Agreement	Us
Site Approval Expense Reimbursement (Note 5)	\$0	\$5,000	Lump sum	As incurred	Us
Initial Training Program and Travel Costs (Note 6)	\$3,000	\$9,000	As incurred	As incurred during training	Us and vendors
Professional Fees and Licenses	\$2,500	\$6,500	As incurred	As incurred	Vendors and government agencies
Vehicle and Wrap (Note 7)	\$6,000	\$55,000	As incurred	As incurred	Vendors
Real Estate (Note 8)	\$165,000	\$650,000	As incurred	As incurred	Vendors
Equipment and Installation (Notes 8 and 9)	\$20,000	\$50,000	Lump sum	Before opening	Us and vendors
Signs and Installation	\$25,000	\$40,000	Lump sum	Before opening	Vendors
Supplies and Inventory and Furniture and Fixtures (Note 11)	\$10,000	\$25,000	As incurred	Before opening	Us and vendors
Technology (Note 12)	\$10,000	\$20,000	As incurred	Before opening	Vendors

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Insurance (Note 13)	\$1,000	\$1,500	Lump sum	As agreed	Vendors
Grand Opening Advertising (Note 14)	\$20,000	\$30,000	As incurred	As incurred	Vendors
Additional Funds – 3 Months (Note 15)	\$137,000	\$207,000	As incurred	As incurred	Us, vendors, and government agencies
<b>Total (Note 16)</b>	<b>\$419,500</b>	<b>\$1,119,000</b>			

**Development Rights Agreement (Note 3)**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Development Rights Fee (Note 4)	\$50,000	\$110,000	Lump sum	Upon signing Development Rights Agreement	Us
Extension Fee	\$0	\$2,000	As agreed	Upon approved extension request	Us
Professional Fees and Licenses	\$1,500	\$3,500	As incurred	As incurred	Vendors and government agencies
Additional Funds – 3 Months	\$1,000	\$3,000	As incurred	As incurred	Us, vendors, and government agencies
<b>Total (Note 16)</b>	<b>\$52,500</b>	<b>\$118,500</b>			

**Notes to All Tables**

Note 1. This table is an estimate of your initial investment to start a Cleaning Facility under a Franchise Agreement and operated from a building that is between 2,000 to 5,000 square feet typically in a shopping or retail center or other light commercial area. A Cleaning Facility may provide Locker Services and Delivery Services within the Designated Territory, and therefore the high estimates assume your Cleaning Facility provides Locker

Services and Delivery Services. None of these payments are refundable (except as provided below).

If you convert a Retail Store to a Cleaning Facility, and we approve your conversion, you must pay us a \$15,000 conversion fee and sign our then-current form of Franchise Agreement, which may contain materially different terms and conditions than your original Franchise Agreement. You must also equip and refurbish the Retail Store to meet our then-current standards for a Cleaning Facility, which will require you to purchase equipment and installation, additional supplies and inventory (including cleaning solutions), and additional technology. However, we expect your cost to convert a Retail Store to a Cleaning Facility to be less than the initial investment to start a Cleaning Facility.

Note 2. This table is an estimate of your initial investment to start a Retail Store under a Franchise Agreement and operated from a building that is between 1,000 to 2,000 square feet typically in a shopping or retail center or other light commercial area. A Retail Store does not provide on-site cleaning and laundry services, Locker Services, or Delivery Services. None of these payments are refundable (except as provided below).

Note 3. This table is an estimate of your initial investment required under the Development Rights Agreement. The low estimate assumes you commit to develop 1 Cleaning Facility. The high estimate assumes you commit to develop 1 Cleaning Facility and 3 Retail Stores within your Development Territory and that you received a 1 month extension under your Development Schedule to open one of these Franchised Businesses. For each Franchised Business you develop and open under the Development Rights Agreement, you will also incur the estimated initial investment described in this Item 7 for Cleaning Facilities and Retail Stores. None of these payments are refundable (except as provided below).

Note 4. The Initial Franchise Fee is described in Item 5. A portion of the Initial Franchise Fee may be refundable as described in Item 5. The Development Rights Fee is described in Item 5. The Development Rights Fee paid by you will be credited to the Initial Franchise Fee due under each Franchise Agreement you or your affiliate signs for each Cleaning Facility and Retail Store developed under the Development Rights Agreement. The low estimate assumes you commit to develop only 1 Cleaning Facility, and the high estimate assumes you commit to develop 1 Cleaning Facility and 1 Retail Store.

Note 5. The Site Approval Expense Reimbursement is described in Item 5.

Note 6. We do not charge for the Initial Training Program for the first 5 attendees (including you, your Manager, and your employees), but the charge for any other attendee(s) is \$2,500 per attendee if they attend with you. You must also pay for airfare, meals, transportation costs, salaries, benefits, lodging, and incidental expenses for all attendees. The low estimate assumes only you, as the owner-operator of your Franchised Business, attend the Initial Training Program and that you either drive to training or obtain a discounted airfare and budget hotel accommodations. The high estimate assumes you and 2 others attend the Initial Training Program together and that your travel costs are higher. The Initial Training Program will be held in Minnesota or at another location we specify. Your actual costs will vary depending on the distance to be traveled, your method of travel, and your personal circumstances. Your costs will also be higher if you have additional people attend this training, or if you have people attend a different training session than the one you attend.

Note 7. You must purchase or lease at least 1 light duty commercial or cargo van to transport garments and other items (including between Retail Stores and Cleaning Facilities), and to provide Locker Services or Delivery Services from a Cleaning Facility. Depending on

the size of your Development Territory and Designated Territory and the volume of your business, you may need more than 1 vehicle. We may require additional light duty commercial or cargo vans based on the delivery revenue that you generate. For a Cleaning Facility, the estimates assume you purchase a used vehicle to service Retail Stores or for Locker Services or Delivery Services, and that you equip and wrap the vehicle as we require. For a Retail Store, the low estimate assumes you already have a suitable vehicle with your Cleaning Facility or another Retail Store that meets our specifications (and only require wraps that we require), and the high estimate assumes you purchase a used vehicle and equip and wrap the vehicle as we require.

We do not require any specific brand of vehicle; however, the vehicle must meet our specifications, including as to features, size, condition, design, layout, and equipment, and include an approved vehicle wrap. We may require you to equip your vehicle from an approved supplier.

Note 8. We have not projected any cost for the purchase of any land or building because we do not recommend you purchase a building for your Franchised Business. Instead, we recommend that you lease a site for your Franchised Business in a shopping or retail center or other light commercial area. A Cleaning Facility will typically be operated in a building that is between 2,000 to 5,000 square feet. A Retail Store will typically be operated in a building that is between 1,000 to 2,000 square feet. You must open your Franchised Business within 150 days of the date you sign your Franchise Agreement, but no later than any applicable opening date provided in the Development Schedule. These estimates are for these 5 months before opening as well as 3 months after opening of rental costs based on a \$20 to \$40 per square feet per month rent, including all lease costs, CAM, taxes, and rental insurance if required. It will vary in other markets, and depending on whether the location is urban or rural, the surrounding demographics, ease of access and visibility, the age and condition of the building, and other factors. You may also be required to pay a security deposit or escrow, which, typically in the range of \$5,000 to \$10,000, is included in these estimates. Your real estate costs will usually be higher for Cleaning Facilities than Retail Stores due to the size and type of space needed. Our estimates assume the location has been prepped with lighting, electricity, and waste removal, and has suitable places for storing any vehicles and cleaning supplies, detergents, solvents, formulas, tools, devices, garment care products and laundry products, branded items, uniforms, branded garment bags and hangers, branded collar stays, poly bags, and printed materials. You will have additional build-out costs if you receive the premises in any other condition than what we have assumed. We recommend that you interview several contractors and check their references before engaging a contractor.

Note 9. You must purchase for your Cleaning Facility dry cleaning and laundry equipment, pumps that supply cleaning solutions, conveyors, pressing machines, drop boxes, storage and sorting equipment, and other equipment, along with installation services, before opening your Franchised Business. You must purchase for your Retail Store limited equipment, which may include drop boxes and storage and sorting equipment, along with installation services, before opening your Franchised Business. We will determine the type and amount of equipment that you will need to purchase for your Franchised Business. The amount of the initial equipment required for your Franchised Business will depend on the size and format of your Franchised Business and the demographic and economic characteristics of its geographic location. All of these items must meet our specifications, and must be purchased from us or approved vendors (which may be our affiliate).

Note 10. If your Cleaning Facility offers Locker Services, you will need to purchase off-site pick-up and drop-off lockers that you install and service within your Designated Territory, which lockers may be located in publicly-accessible locations or in locations serving a private or captive audience. The low estimate assumes you do not offer Locker Services and have

no lockers, and the high estimate assumes you purchase and install 20 lockers. All of these items must meet our specifications, and must be purchased from us or approved vendors (which may be our affiliate).

- Note 11. You must purchase for your Franchised Business an initial inventory and supply of our Mulberrys Garment Care proprietary products and other approved products along with furniture and fixtures before opening your Franchised Business. We will determine the type and amount of inventory and supply and furniture and fixtures that you will need to purchase for your Franchised Business. The initial inventory and supplies typically includes the following: laundry and wet cleaning detergents, dry cleaning solvents, store merchandise, stain removers, tools, uniforms, branded garment bags and hangers, branded collar stays, garment packaging, printed materials (such as letterhead, stationary, business cards, and invoices), and miscellaneous office supplies. The amount of the initial inventory and supply and furniture and fixtures required for your Franchised Business will depend on the size and format of your Franchised Business and the demographic and economic characteristics of its geographic location. All of these items must meet our specifications, and must be purchased from us or approved vendors (which may be our affiliate).
- Note 12. These estimates are for the minimum technology you must obtain to open your Franchised Business. The estimate assumes you purchase 2 point of sale systems, 1 computer, dedicated telephone lines and related hardware, and 2 receipt printers. All of these items must meet our specifications, including those related to model, brand, and functionality, but can be purchased from any vendor.
- Note 13. You must carry the types and amounts of insurance we specify. Insurance costs will vary based on policy limits, types of policies, nature and value of physical assets, number of employees, square footage of your Franchised Business, and other factors pertinent to risk exposure. We currently require you to carry commercial general liability insurance against claims for bodily and personal injury, death, and property damage caused by, or incurred in the operation of, or conduct of business by, you; general casualty insurance (including the perils of fire, broad form extended coverage, vandalism, and malicious mischief) on the premises of your Franchised Business; business motor vehicle liability insurance if you have a vehicle; data breach insurance; workers' compensation insurance; and employee dishonesty and employment practices. This estimate is for an initial deposit of 3 months for these insurance policies.
- Note 14. We require you advertise the opening of your Franchised Business via local marketing campaigns and promotional programs and Internet advertising and Internet search engine campaigns. You must spend at least \$20,000 on your approved grand opening plan, typically during the 30-day period before and after the opening of your Franchised Business. We must approve any marketing conducted by you.
- Note 15. This amount includes estimated operating expenses you should expect to incur during the first 3 months of operation of your Franchised Business, which includes payroll (excluding any salary you may take), marketing expenses, utility costs, telephone, waste and recycling removal, permits and licensure, insurance premiums, and maintenance and repair costs. This amount does not include any rent for your Franchised Business (see Note 8 above).
- Note 16. These figures are estimates only. We have relied on the experiences of our affiliates in opening company-owned locations in California to compile these estimates.

**ITEM 8.**  
**RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Required Purchases and Suppliers**

Specifications

Most of the inventory and supplies, furniture, fixtures, and equipment, design and décor, branded items and signage, computer hardware and software, technology, payment processing services, advertising materials, vehicles, insurance, and products you purchase for use or sale at your Franchised Business, must meet our specifications. Any Locker Services and Delivery Services you offer from your Cleaning Facility must also meet our specifications. These specifications may include minimum standards for delivery, performance, design, appearance, and quality. We will issue the specifications to you before you begin operating. We may include these specifications in the Operations Manual that we provide to you either hard copy or on-line, or we may issue them separately. You must obtain our approval before you use any advertising materials you prepare, and before you establish any web page, social media, and/or social networking site, profile, account, or hashtag that refers to us, your Franchised Business, or the System.

You can expect that these required purchases and leases you make will represent over 95% of the total purchases or leases you will make in establishing your Franchised Business. Once you begin operating, you can expect that these required purchases and leases you make will represent between 85% and 95% of the total purchases and leases you will make to operate your Franchised Business.

Approved Suppliers

We may require you to purchase certain products, inventory and supplies, branded items, equipment, lockers, services used or offered by your Franchised Business, and other items from vendors we approve, in which case we will provide you with a list of approved suppliers. Although we do not currently have an arrangement with any supplier to pay any rebates to us based on purchases by our franchisees, we do anticipate negotiating these types of arrangements in the future. There are no caps or limitations on the amount of rebates we may receive from suppliers as a result of franchisee purchases.

You must purchase from us or our affiliates certain inventory and supplies, equipment, lockers, and branded items. These inventory and supplies may include cleaning supplies, detergents, solvents, formulas, tools, devices, garment care products and laundry products, branded items, uniforms, branded garment bags and hangers, branded collar stays, poly bags, printed materials, and all other supplies needed to operate your Franchised Business. The equipment may include dry cleaning and laundry equipment, pumps that supply cleaning solutions, conveyors, pressing machines, drop boxes, storage and sorting equipment, and other equipment, along with installation services. We, our affiliates, or our master franchisee may be the only approved suppliers for some or all of these items, and other items that we may specify, and we do not intend to approve another supplier for these items. We intend to have a reasonable wholesale mark-up on any items or services we or our affiliates sell to you, as well as on any items or services our master franchisee resells to you, including the items described above. For the fiscal year ended December 31, 2024, neither we nor our affiliates received payments or other consideration from suppliers for purchases by franchisees. For the fiscal year ended December 31, 2024, we did not receive any revenue from franchisees from the sales or leases of required goods and services to our franchisees. This information was taken from our audited financial statements and from our affiliate's internal financial records. Our officers do not own any interest in any of our suppliers other than any affiliates of ours.

No dry cleaning or laundry services may be performed on-site at a Retail Store. Therefore, we require you to contract with the nearest Cleaning Facility operated by you or your affiliate, or if neither you nor any affiliate operates a Cleaning Facility, the nearest Cleaning Facility of another Mulberrys Garment Care franchisee or our or our affiliate's Cleaning Facility, to perform all dry cleaning and laundry services on behalf of your Franchised Business. We reserve the right to approve the Cleaning Facility used by

you and the terms and conditions of service between the Cleaning Facility and your Franchised Business. You remain solely responsible for ensuring that all garments and other items are cleaned and processed in accordance with our System. If the Cleaning Facility that serves your Franchised Business ceases operation for any reason, the franchise agreement with us for that Cleaning Facility is terminated for any reason, or that Cleaning Facility otherwise ceases to provide dry cleaning and laundry services to your Franchised Business, you must find and secure a replacement Cleaning Facility that is equipped to handle servicing your Franchised Business within 5 days of such closure of that Cleaning Facility, termination of the franchise agreement, or that Cleaning Facility ceasing to provide services to the Franchised Business, whichever is earlier. If you are unable to find and secure a replacement Cleaning Facility within the 5 day period, we may terminate your Franchise Agreement.

### **Approval of Alternative Specifications or Suppliers**

If you want to purchase items for your Franchised Business that differ from our specifications or from a supplier we have not approved, you must notify us in writing. If we request, you must submit samples and other information we require for testing or to otherwise determine whether the product, material, or supply meets our specifications and quality standards. We do not impose any fee for our consideration.

Although we do not make available the criteria we review when approving suppliers, we consider various factors including whether the product or service is consistent with our concept and brand; how the supplier and/or their products or services would enhance our brand; if the product or service is already available through other sources, would approval of another vendor enhance competition or dilute our ability to maximize pricing benefits for our franchisees; and is the product of a commercial quality with a proven record of durability. We will generally notify you of our approval or disapproval within 30 days of our receipt of all the information and samples we request. If we revoke approval of any supplier or any item offered by a supplier, we will send you written notice of our revocation of an approved supplier or item.

### **Cooperatives**

We do not have any purchasing or distribution cooperatives as of the issuance date of this Disclosure Document.

### **Negotiated Prices**

We may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees.

### **Material Benefits**

We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

**ITEM 9.  
FRANCHISEE'S OBLIGATIONS**

**These tables list 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 Franchise Disclosure Document.**

**Franchise Agreement**

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Section 3(a)	Items 7 and 11
b. Pre-opening purchases/leases	Sections 3, 6, 9, and 13; Cleaning Facility Addendum to Franchise Agreement	Items 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 3 and 8(a)	Items 7 and 11
d. Initial and ongoing training	Section 8	Items 5, 6, and 11
e. Opening	Sections 3(c) and 9(a)	Items 7 and 11
f. Fees	Sections 2, 3, 5, 6, and 7	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Sections 8 and 9; Cleaning Facility Addendum to Franchise Agreement	Items 8, 11, 12, 15, and 16
h. Trademarks and proprietary information	Sections 10, 12(d), and 14	Items 13 and 14
i. Restrictions on products/services offered	Sections 4(c), 9, and 11; Cleaning Facility Addendum to Franchise Agreement	Items 8, 11, 12, and 16
j. Warranty and customer service requirements	Sections 4(c) and 9; Cleaning Facility Addendum to Franchise Agreement	Items 6 and 16
k. Territorial development and sales quotas	Not Applicable	Not Applicable
l. Ongoing product/service purchases	Sections 9 and 11; Cleaning Facility Addendum to Franchise Agreement	Items 5, 6, and 8
m. Maintenance, appearance, and remodeling requirements	Sections 3, 9(j), 11(a), and 11(b); Cleaning Facility Addendum to Franchise Agreement	Items 5 and 6

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Disclosure Document Item</b>
n. Insurance	Section 13	Item 7
o. Advertising	Section 6	Items 5, 6, 7, and 11
p. Indemnification	Sections 21(b) and 21(c)	Item 6
q. Owner's participation/management/staffing	Sections 9(b), 9(c), and 9(d)	Item 15
r. Records and reports	Section 12(a)	Not Applicable
s. Inspections and audits	Sections 12(b) and 12(c)	Not Applicable
t. Transfer	Section 16	Item 17
u. Renewal	Section 2	Item 17
v. Post-termination obligations	Section 19	Item 17
w. Non-competition covenants	Section 15	Items 15 and 17
x. Dispute resolution	Section 20	Item 17
y. Other: Guaranty of franchise obligations (Note 1)	Guaranty (which follows the Franchise Agreement)	Item 15

#### **Development Rights Agreement**

<b>Obligation</b>	<b>Section in Development Rights Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Section 3	Items 7, 11, and 12
b. Pre-opening purchases/leases	Sections 2 and 3	Items 7, 11, and 12
c. Site development and other pre-opening requirements	Sections 2 and 3	Items 7, 11, and 12
d. Initial and ongoing training	Not Applicable	Not Applicable
e. Opening	Sections 2 and 3 and Rider (which follows Development Agreement)	Items 7, 11, and 12
f. Fees	Section 2 and Rider (which follows Development Agreement)	Items 5, 6, and 7

Obligation	Section in Development Rights Agreement	Disclosure Document Item
g. Compliance with standards and policies/operating manual	Sections 3 and 6 and Rider (which follows Development Agreement)	Item 11
h. Trademarks and proprietary information	Sections 2(f) and 5(c)	Items 13 and 14
i. Restrictions on products/services offered	Not Applicable	Not Applicable
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Sections 2 and 3 and Rider (which follows Development Agreement)	Item 12
l. Ongoing product/service purchases	Not Applicable	Not Applicable
m. Maintenance, appearance, and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Not Applicable	Not Applicable
o. Advertising	Not Applicable	Not Applicable
p. Indemnification	Not Applicable	Not Applicable
q. Owner's participation/management/staffing	Not Applicable	Item 15
r. Records and reports	Not Applicable	Not Applicable
s. Inspections and audits	Not Applicable	Not Applicable
t. Transfer	Section 4	Item 17
u. Renewal	Not Applicable	Not Applicable
v. Post-termination obligations	Section 5(c)	Item 17
w. Non-competition covenants	Not Applicable	Not Applicable
x. Dispute resolution	Section 7(c)	Item 17
y. Other: Guaranty of development obligations (Note 2)	Guaranty (which follows the Development Rights Agreement)	Item 15

**Notes to All Tables**

Note 1. Each individual who is an owner of any business entity that is the franchisee, and their spouse, must sign a personal guaranty of all the obligations of the franchisee. This

guarantee includes an agreement to be bound by all provisions of the Franchise Agreement, including the confidentiality and noncompete provisions of the Franchise Agreement.

- Note 2. Each individual who is an owner of any business entity that is the developer, and their spouse, must sign a personal guarantee of all the obligations of the developer. This guarantee includes an agreement to be bound by all provisions of the Development Rights Agreement.

## **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.**

### **Pre-Opening Assistance**

Before you open your Franchised Business, we will:

1. Designate your Development Territory and Designated Territory, and approve the location for your Franchised Business (Development Rights Agreement – Section 2; Development Rights Agreement – Rider; Franchise Agreement – Section 3(a); Franchise Agreement – Rider). Under the Development Rights Agreement, you must commit to develop a certain number and format of Franchised Businesses in the Development Territory, and we will approve or reject each location for a Franchised Business that you propose (Development Rights Agreement – Sections 2-3). If we approve a location for development, you must sign our then-current form of Franchise Agreement for the approved location and develop and open the Franchised Business according to the Franchise Agreement (Development Rights Agreement – Section 3).
2. Designate your Development Schedule (Development Rights Agreement – Section 2; Development Rights Agreement – Rider).
3. Provide general guidelines to you for the selection of a site for your Franchised Business, and review any proposed sites you select (Franchise Agreement – Section 3(a)).
4. Provide for you or your Manager the Initial Training Program (Franchise Agreement – Section 8(a)).
5. Loan you a copy of our manuals that contain various information including mandatory and suggested specifications, standards, and procedures. We may modify any manual periodically in our discretion (Franchise Agreement – Section 8(f)). As of the issuance date of this Disclosure Document, our Operations Manual contains 25 pages. A copy of the table of contents of our Operations Manual is attached to this Disclosure Document as Exhibit C.
6. Designate and sell to you certain initial inventory and supplies and equipment required for your Franchised Business (Franchise Agreement – Section 11).

7. Provide you with a list of the approved suppliers for certain equipment, supplies, and services for your Franchised Business (Franchise Agreement – Section 11(b)).
8. Review and approve the build-out and construction of your Franchised Business (Franchise Agreement – Section 3).
9. Provide you with a subpage or website listing on our or our affiliate's website to advertise your Franchised Business (Franchise Agreement – Section 6).
10. Assist you in conducting a grand opening of your Franchised Business, at your expense (Franchise Agreement – Section 6).

### **Post-Opening Assistance**

During the term of the Franchise Agreement, we will:

1. Be available during normal business hours to provide you with email support and pre-scheduled telephone support on operating issues you confront (Franchise Agreement – Section 8(b)).
2. Provide our Initial Training Program to any new Manager you retain at your Franchised Business (Franchise Agreement – Section 8(a)).
3. Provide additional optional training at your request and expense and additional required training at your expense as needed (Franchise Agreement – Sections 8(c) and 8(d)).
4. Maintain and administer the System Brand Fund (Franchise Agreement – Section 6).
5. Provide sample or form marketing material templates that you may use to produce local marketing and other sample forms (Franchise Agreement – Sections 6 and 8(h)).
6. Provide updated or revised mandatory and suggested specifications, standards, and procedures for your Franchised Business (Franchise Agreement – Section 8(f)).
7. Provide updated or revised lists and contact information of approved suppliers, and from time to time, review new approved suppliers (Franchise Agreement – Section 11).
8. Sell to you equipment, supplies, and inventory required for your Franchised Business that we or our affiliate offer (Franchise Agreement – Section 11(b)).
9. Provide to you suggested resale prices that we may set for products or services you offer in your Franchised Business (Franchise Agreement – Section 11(c)).

### **Training**

#### Initial Training Program

You, and your Manager if your Franchised Business is not owner-operated, must successfully complete our Initial Training Program (Franchise Agreement – Section 8(a)). The Initial Training Program must be completed within 60 days after you sign the Franchise Agreement but in any event before you open the Franchised Business. This training will be held on an as-needed basis as we sell franchises. We do not charge for the Initial Training Program for the first 5 attendees attending the Initial Training Program together (including you, your Manager, and your employees), but the charge for any other attendee(s) is \$2,500 per attendee if they attend with you. You will also be responsible for all travel and living expenses you and your attendees incur in attending the training. If you or any other attendee fail to complete the Initial Training Program to our satisfaction, we may terminate the Franchise Agreement.

Our Initial Training Program as of the issuance date of this Disclosure Document consists of approximately 3 weeks of training. If you are an existing franchisee of ours purchasing an additional Mulberrys Garment Care franchise, no Initial Training Program will be provided in connection with this additional Mulberrys Garment Care franchise (unless we require you to complete another Initial Training Program or we require you to complete only certain portions of the Initial Training Program based on the format of the additional Mulberrys Garment Care franchise and your experience as we determine), except we will provide the Initial Training Program to any new Manager of the additional Mulberrys Garment Care franchise.

Cleaning Facility

The Initial Training Program for a Cleaning Facility is as follows:

<b>INITIAL TRAINING PROGRAM</b>			
<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
History and Values	1	0	California, Florida, or Minnesota or virtual
Overview of Dry Cleaning Business	1	0	California, Florida, or Minnesota or virtual
Business Formation and Regulation	2-4	0	California, Florida, or Minnesota or virtual
Human Resources	2-8	0	California, Florida, or Minnesota or virtual
Financial Tracking and Reporting	4-8	0	California, Florida, or Minnesota or virtual
Performance Management	2	0	California, Florida, or Minnesota or virtual
Procurement	2	0	California, Florida, or Minnesota or virtual
Sales and Marketing	4	0	California, Florida, or Minnesota or virtual
Technology, Point of Sale, and Reporting	10-14	4	California, Florida, or Minnesota or virtual
Cleaning	6-8	6-8	California, Florida, or Minnesota or virtual
Pressing	6-8	6-8	California, Florida, or Minnesota or virtual
Stain Removal	3-4	3-4	California, Florida, or Minnesota or virtual
Inspection	2	3-4	California, Florida, or Minnesota or virtual
Assembly	2	3-4	California, Florida, or Minnesota or virtual
Equipment Maintenance	6-8	6-8	California, Florida, or Minnesota or virtual

<b>INITIAL TRAINING PROGRAM</b>			
<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
Route Management	4	6-8	California, Florida, or Minnesota or virtual
Store Management	0	18-24	California, Florida, or Minnesota or virtual
<b>Total Training Time</b>	<b>57-80 hours</b>	<b>55-72 hours</b>	

Retail Store

The Initial Training Program for a Retail Store is as follows:

<b>INITIAL TRAINING PROGRAM</b>			
<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
History and Values	1	0	California, Florida, or Minnesota or virtual
Overview of Dry Cleaning Business	1	0	California, Florida, or Minnesota or virtual
Business Formation and Regulation	2-4	0	California, Florida, or Minnesota or virtual
Human Resources	2-8	0	California, Florida, or Minnesota or virtual
Financial Tracking and Reporting	4-8	0	California, Florida, or Minnesota or virtual
Performance Management	2	0	California, Florida, or Minnesota or virtual
Procurement	2	0	California, Florida, or Minnesota or virtual
Sales and Marketing	4	0	California, Florida, or Minnesota or virtual
Technology, Point of Sale, and Reporting	10-14	6-8	California, Florida, or Minnesota or virtual
Inspection	0-2	0	California, Florida, or Minnesota or virtual
Assembly	0-2	0	California, Florida, or Minnesota or virtual
Store Management	0	18-24	California, Florida, or Minnesota or virtual
<b>Total Training Time</b>	<b>28-48 hours</b>	<b>24-32 hours</b>	

The classroom training will be held in a conference room setting, typically in California, Florida, or Minnesota (as we determine), or virtually. The on-the-job training will be held at one of the Mulberrys Garment Care businesses owned by our affiliates or another franchisee, typically in California or Minnesota. We may provide portions of the Initial Training Program virtually, in our discretion.

The instructor in charge of our Initial Training Program is Dan Miller and other team members as needed. Mr. Miller, our founder and principal trainer, has owned and operated Mulberrys Garment Care and has over 16 years of experience in the dry cleaning business. Mr. Miller is a certified dry cleaner, wet cleaner, and environmental cleaner by the Dry Cleaning and Laundry Institute. Our Operations Manual and sample products and equipment will all be used during the Initial Training Program.

### Additional Training

Any new Manager must attend and successfully complete our Initial Training Program within 45 days after beginning to manage your Franchised Business (Franchise Agreement – Section 8(a)). Each of these trainings is provided at the locations and times we specify. We charge \$5,000 for this training. The cost for this training must be paid before the training begins. You are responsible for the travel and living expenses you and your employees incur in attending this training.

We may also provide mandatory training (Franchise Agreement – Section 8(d)). If we provide it, you or one of your staff members that we approve must attend the training. This training will be held periodically depending upon the need for the training. We currently charge \$100 per hour for this training.

If you request additional on-site training, or you do not meet our standards and we require you to have additional on-site training, you must pay us our on-site training fee (\$500 per day) plus you must reimburse us for our reasonable travel and lodging expenses (Franchise Agreement – Section 8(e)).

You, or your Manager if your Franchised Business is not owner-operated, must train your staff and certify to us that the staff have been trained (Franchise Agreement – Section 9(d)). This training must occur before the staff begin performing services on your behalf.

## **Site Selection and Opening**

### Development Rights Agreement

Under the Development Rights Agreement, you will have the right to develop, open, and operate 1 or more Franchised Business(es) within the Development Territory according to a mandatory Development Schedule. We generally require that your first Franchised Business within the Development Territory be a Cleaning Facility, and that you have a Cleaning Facility in close proximity to your Retail Store(s). Only Cleaning Facilities and Retail Store(s) count towards meeting your Development Schedule, and lockers do not count towards meeting your Development Schedule (Development Rights Agreement – Sections 2 and 3). If you fail to meet your Development Schedule, we can terminate the Development Rights Agreement and retain all amounts you have paid to us (Development Rights Agreement – Section 5).

Your Development Rights Agreement may allow you or your affiliates to develop and open additional Franchised Businesses as Cleaning Facilities or Retail Stores within your Development Territory, according to our then-current System standards and other approval requirements. You or your affiliates will be required to sign our then-current form of Franchise Agreement for each Franchised Business you develop and open under the Development Rights Agreement (Development Rights Agreement – Section 3), which may contain materially different terms and conditions than the Franchise Agreement attached to this Disclosure Document as Exhibit F. We will determine or approve the location of future Franchised Businesses and any Designated Territories for those Franchised Businesses based on our then-current System standards for sites and Designated Territories (Development Rights Agreement – Section 3).

## Franchise Agreement

You must operate your Franchised Business from 1 location we approve in your Designated Territory (Franchise Agreement – Section 3(a)). The Franchised Business operated from the approved location must be either a Cleaning Facility or Retail Store.

The location of your Franchised Business will generally be in a shopping or retail center or other light commercial area. Before you open your Franchised Business, we will provide general guidelines to you for the selection of sites for your Franchised Business, and review any proposed sites you select. It will, however, be your obligation to select the site for your Franchised Business and to obtain our approval within 60 days of your signing of the Franchise Agreement (Franchise Agreement – Section 3(a)). You must submit to us information and materials we require and obtain our approval of the site. The factors we take into consideration when reviewing a site include the proximity to other Cleaning Facilities and Retail Stores, location and proximity of the site to residential neighborhoods, the demographics of the surrounding area, whether the site is on a main thoroughfare, size of the proposed premises, sufficient parking availability, and the types and number of dry cleaning and laundry businesses in the vicinity of the proposed site. You must also provide us with a copy of your lease or sublease so that we can confirm that it meets the requirements of the Franchise Agreement. Although we provide you with prototypical plans and specifications for a Franchised Business, we do not conform the premises to local ordinances and building codes or obtain any required permits for you, and we do not construct, remodel, or decorate the premises.

You may not open your Franchised Business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you and your Manager (if your Franchised Business is not owner-operated) have completed our Initial Training Program to our satisfaction and you certify that you have provided all of your employees with the training we require; (3) you have furnished us with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request (Franchise Agreement – Section 13); (4) you notify us that all approvals and conditions in the Franchise Agreement have been met; and (5) you have obtained all required permits and licenses. You must open your Franchised Business within 150 days of the date you sign your Franchise Agreement, but no later than any applicable opening date provided in the Development Schedule. If you do not, we can terminate your Franchise Agreement and retain all amounts you have paid to us (Franchise Agreement – Sections 3(c), 9(a), and 19(a)).

We estimate that the typical length of time between signing of the Franchise Agreement and the opening of your Franchised Business will be between 90 and 150 days. Some factors that may affect this timing include how long it takes you to select a suitable site for your Franchised Business and obtaining a lease or sublease, any shortages or delays in the installation of any equipment, fixtures, and signs, or obtaining any supplies and inventory, whether, and to what extent, you need to remodel your site, and your ability to secure any necessary financing.

## Locker Services

If you desire to offer Locker Services from your Cleaning Facility, you must first obtain our prior written approval and comply with our System standards as they relate to Locker Services. You may locate the lockers only within your Designated Territory of your Cleaning Facility as extensions of your Cleaning Facility, and you must obtain our prior approval for any proposed site for the lockers, which we may approve or reject in our discretion. We will generally approve or reject a proposed site for a locker within 30 days of submission of all information related to the proposed site, including any leases or purchase agreements for possession of the site. The factors we take into consideration when reviewing a site for a locker are generally the same as the factors we consider for Cleaning Facilities and Retail Stores, but we also consider the proximity of the locker to your Cleaning Facility and whether the locker is accessible by the general public or a sufficiently large number of people if serving a private or captive audience. The location of lockers will generally be in shopping or retail centers or other light commercial areas, multi-family housing complexes, and corporate and college campuses. Although we provide you with prototypical plans and specifications for lockers, we do not conform the premises to local ordinances and

building codes or obtain any required permits for you, and we do not construct, remodel, or decorate the premises.

## **Advertising/Marketing**

### System Brand Fund

Under the Franchise Agreement, you must contribute 5% of your weekly Gross Sales to the Mulberrys Garment Care system-wide brand fund (the "System Brand Fund"). Your contributions to this System Brand Fund are due at the same time that you pay your Royalty Fee, based on the amount of Gross Sales you generated in the previous week (Monday to Sunday). All our franchisees, as well as Mulberrys Garment Care businesses we or our affiliates operate, contribute to the System Brand Fund at the same rate. However, subfranchisees of our master franchisee will not be required to contribute to our System Brand Fund, but may contribute to the marketing funds of their master franchisee.

We account for the contributions to the System Brand Fund separately from our other revenues, and we do not use them to pay any of our general operating expenses other than our costs of administering the System Brand Fund and for creative services, including salaries and overhead of the individuals performing these tasks. The purpose of the System Brand Fund is to develop and implement marketing programs and materials that benefit the Mulberrys Garment Care brand and promote the Marks. This means we may use monies in the System Brand Fund for any purpose that promotes the Mulberrys Garment Care name, including the creation, production, and placement of commercial advertising; to pay for agency costs and commissions; to pay the costs to create and produce video, audio, and written advertisements; to pay for direct mail and other media advertising, including radio and Internet advertising, Internet search engine campaigns, and the cost to maintain and update our or our affiliate's websites and web pages, and for social media, and social networking sites, profiles and accounts, for the cost of search engine optimization; in-house staff assistance and related administrative costs; local and regional promotions; public relations campaigns including the cost of retaining public relations firms; market research; and other advertising and marketing activities (Franchise Agreement – Section 6).

We may create marketing materials in-house or use national, regional, and local agencies. Advertising may be placed in local, regional, or national media of our choice, including print, direct mail, electronic and online advertising, radio, or television. We do not guarantee that expenditures from the System Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. It is our responsibility to determine how these monies are spent. We are not required to use monies in the System Brand Fund to benefit any individual market. However, we will not spend any portion of these monies for advertising principally designed to solicit the sale of franchises. In our fiscal year ended December 31, 2024, 1% of expenditures from the System Brand Fund were used for production of advertising, 99% were used for social media and internet marketing, and 0% for administrative expenses.

Any unused amounts in the System Brand Fund in any calendar year will be carried over to the following year. We will use any interest the System Brand Fund earns for marketing before we use any principal. At your request, we will make available to you an annual accounting for the System Brand Fund that shows how the System Brand Fund proceeds were spent for the previous year, but these statements will not be audited. We may, but have no obligation to, loan amounts to the System Brand Fund and can determine the repayment obligation of the System Brand Fund, including interest rate of the loan and repayment terms, as we see fit.

We do not have an advertising council that advises us on advertising policies. If we form one, we anticipate it will only be advisory, as we will make all final decisions as to the use of the System Brand Fund.

## Local Marketing

We require you advertise the grand opening of your Franchised Business via local marketing campaigns and promotional programs and Internet advertising and Internet search engine campaigns within your Designated Territory. You must spend at least \$20,000 on your approved grand opening plan, typically during the 30-day period before and after the opening of your Franchised Business. We must approve any marketing conducted by you. You may also conduct your own local marketing of your Franchised Business within your Designated Territory on an ongoing basis.

You must obtain our prior approval of all local advertising and marketing you engage in for your Franchised Business. Your use of the Marks and other materials identifying our brand must be consistent with our approved standards. You may not use the Marks or other materials identifying our brand on items to be sold or services to be provided without our prior written approval. You must also obtain our approval before establishing, or having established, any websites, hashtags, profiles, accounts, or apps that refer to us, your Franchised Business, or to the System. You are ultimately responsible for ensuring that your advertising and marketing complies with all applicable laws before implementing it.

Although we can require you to, we do not currently require our franchisees to participate in a local or regional advertising cooperative. If we do, we will define the area of membership of the cooperative and determine how much you must contribute to the cooperative. If we establish a cooperative in a market serviced by Franchised Businesses we or our affiliates own, they will participate in the cooperative too. We will be responsible for administering any cooperatives (Franchise Agreement – Section 6). We do not anticipate any cooperatives will operate from governing documents or prepare annual or periodic financial statements, but if they do, we will make them available to you upon request. We have the right to form, change, dissolve, or merge these cooperatives.

## **Technology**

### Technology Hardware

You must purchase and use at a minimum, 2 point of sale systems, 1 computer, dedicated telephone lines and related hardware, and 2 receipt printers. All vehicles and drivers must be equipped with GPS systems and hands-free mobile phones. All of these items must meet our specifications, including those related to model, brand, and functionality, but can be purchased from any vendor. You will use the computer for point of sale and to send invoices, perform accounting functions, process payments, complete forms and reporting, maintain financial information, produce daily reports, email correspondence with customers, us, and others, and access any computer software we require for the Franchised Business. Depending on the size of the retail storefront for your Franchised Business, you may need more than 2 point of sale systems.

We estimate the total cost to purchase the items above to be approximately \$10,000 to \$20,000. We do not have any obligation to upgrade or maintain these items. Although most new computer hardware comes with a limited warranty, we are not aware of any third parties with an obligation to upgrade or maintain these items.

### Technology Services

Each of the computers and point of sale systems discussed above must contain the computer software and other technology services we require. These software and technology services are not proprietary to us, except for our Mulberrys Garment Care app that enables customers to schedule on-demand pickups, track their order, find their nearest location, order ahead, send push notification updates, and view and pay their invoice, as well as the Mulberrys Driver app, which enables drivers to accept pickups on-demand, share their location status with customers, and deliver orders to customers. Some of the software will come preinstalled on a computer. You must use the point of sale software we require. For software and technology services that are not preinstalled, you will need to purchase them. The ongoing

cost for the computer software and technology services is approximately \$1,000 to \$3,000 per year. You must renew your software licenses as required.

#### Ongoing Maintenance and Use

We are not obligated to provide you with ongoing maintenance, repairs, upgrades, or updates to the technology discussed above. We anticipate that you will be required to upgrade or update your technology during the term of the franchise, and there are no contractual limitations on the frequency and cost of the obligation. We do not have any contractual obligation to upgrade or update any of your hardware or software during the term of this franchise.

You must have access to the Internet and maintain an email account that allows us to communicate with you on a regular basis. We can independently access your electronic information and data, and collect and use this electronic information and data in any manner we choose without any compensation to you. There is no contractual limitation on our right to receive or use information we obtain from you.

### **ITEM 12. TERRITORY**

#### **Development Rights Agreement**

When you sign a Development Rights Agreement, you or your affiliates will commit to develop a specified number of Cleaning Facilities and Retail Stores within the Development Territory according to the Development Schedule. We will determine the size and boundaries of your Development Territory before signing the Development Rights Agreement. The size and boundaries for the Development Territory will vary depending on the number of Cleaning Facilities and Retail Stores that we approve you to develop, demographics, geographic area, natural boundaries and access to streets and highways, neighborhood character, location and number of competing businesses, site availability, and other factors. There is no minimum Development Territory size and the exact size of each Development Territory varies based on the applicable factors. You do not have the right to change your Development Territory. You will sign our then-current form of Franchise Agreement for each Cleaning Facility and Retail Store you develop and open under the Development Rights Agreement, which may contain materially different terms and conditions than the Franchise Agreement attached to this Disclosure Document as Exhibit F. You and we will negotiate the Development Schedule describing the number and type of Cleaning Facilities and Retail Stores that you must develop to keep your development rights and the dates by which you must develop them. You and we will complete the Development Schedule in the Development Rights Agreement before signing it.

For any Cleaning Facility or Retail Store you desire to develop in the Development Territory under your Development Rights Agreement, you must first locate and obtain our approval for the proposed site. We will approve or reject that proposed site based on our then-current standards for franchise sites. You or your affiliate must obtain our approval of the site within 60 days after signing the applicable Franchise Agreement. Upon approval of the location for the Franchised Business, we will complete the Franchise Agreement indicating the address and the Designated Territory granted to you or your affiliate for that Franchised Business, which will generally be an area comprising of 15,000 to 20,000 households with a minimum average household income of \$100,000 or more, but in no event will the Designated Territory be outside the Development Territory. Your Designated Territory will not change even if the population or income in your Designated Territory changes.

As long as you and your affiliates are in compliance with the Development Schedule and the Development Rights Agreement and any other agreements between us or our affiliates and you or your affiliates, then during the term of the Development Rights Agreement, we will not operate or grant a third party the right to operate a business that offers dry cleaning, laundry, or garment and fabric care, repair,

and alteration products and services, operating under the Mulberrys Garment Care mark, physically located in your Development Territory. Other than this limitation there are no other prohibitions on us in your Development Territory. We may exercise in your Development Territory all of the rights that we now reserve in the Franchise Agreement). We and our affiliates retain all rights with respect to the Mulberrys Garment Care mark, the sale of similar or dissimilar products and services, and any other activities we deem appropriate, without compensating you in any manner when we make sales through these channels or under these brands, whenever and wherever we desire. For example, we can operate or allow others to operate similar or identical business outside of your Development Territory under the Mulberrys Garment Care mark or under any other trademarks even if the businesses compete with your Franchised Businesses in your Development Territory. We can also operate or allow others to operate businesses inside the Development Territory under any marks, including the Mulberrys Garment Care mark, if the businesses do not include a dry cleaning, laundry, or garment and fabric care, repair, and alteration business. We can sell any products or services we or our affiliates provide to you for use in your Franchised Businesses to any person, whether in or outside your Development Territory. We can also sell or grant third parties the right to sell goods or services competitive with those sold by your Franchised Businesses under the Mulberrys Garment Care mark or otherwise through other distribution channels including the Internet, retailers, catalog sales, telemarketing, or other direct marketing, inside and outside of your Development Territory. We can market and sell products and services to national, regional, and institutional accounts, whether located inside or outside the Development Territory. We can acquire businesses in the Development Territory that are similar to your Franchised Businesses or sell our business whether through a sale of assets or stock to anyone or merger, regardless whether they operate or franchise the operation of businesses similar to your Franchised Businesses. Upon termination or expiration of the Development Rights Agreement, regardless of the reason, we may operate or grant a third party the right to operate a dry cleaning and laundry business operating under the Mulberrys Garment Care mark or under any other trademarks in the Development Territory, or engage in any other activities within or outside your Development Territory, despite any rights you previously had, subject only to your or your affiliate's rights in any Designated Territory under any Franchise Agreement then in effect.

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.

There are no other restrictions on us or our affiliates under the Development Rights Agreement. You may not develop or operate Franchised Businesses outside the Development Territory without our written consent. We may terminate the Development Rights Agreement, but not Franchise Agreements, if you do not satisfy your development obligations according to the Development Schedule. Except as described above, continuation of your territorial rights in the Development Territory does not depend on your achieving a certain sales volume, market penetration, or other contingency. Except as provided above, during the term of the Development Rights Agreement, we may not alter your Development Territory or your territorial rights without your written consent.

## **Franchise Agreement**

When you sign a Franchise Agreement, you will receive the right to operate 1 Franchised Business. Your Franchised Business will be a Retail Store unless you sign a Cleaning Facility Addendum to Franchise Agreement. You will operate the Cleaning Facility or Retail Store at a specific location that we must first approve. We refer to this territory as the "Designated Territory" and we describe it in your Franchise Agreement. While there is no minimum size for your Designated Territory, your Designated Territory will generally be an area comprising of 15,000 to 20,000 households with a minimum average household income of \$100,000, but in no event will the Designated Territory be outside the Development Territory under the Development Rights Agreement. However, the exact size will depend upon various factors including demographics, geographic area, natural boundaries and access to streets and highways, neighborhood character, location and number of competing businesses, site availability, and other factors. Your Designated Territory will not change even if the population or demographics in your Designated Territory changes. Your Designated Territory will not change even if the population or income in your Designated Territory changes.

As long as you and your affiliates are in compliance with your Franchise Agreement and any other agreements between us or our affiliates and you or your affiliates, we will not operate or grant a third party the right to operate a business that offers dry cleaning, laundry, or garment and fabric care, repair, and alteration products and services, operating under the Mulberrys Garment Care mark, physically located in your Designated Territory. We and our affiliates retain all rights with respect to the Mulberrys Garment Care mark, the sale of similar or dissimilar products and services, and any other activities we deem appropriate, without compensating you in any manner when we make sales through these channels or under these brands, whenever and wherever we desire. For example, we can operate or allow others to operate similar or identical business outside of your Designated Territory under the Mulberrys Garment Care mark or under any other trademarks even if the businesses compete with your Franchised Business in your Designated Territory. We can also operate or allow others to operate businesses inside the Designated Territory under any marks, including the Mulberrys Garment Care mark, if the businesses do not include a dry cleaning, laundry, or garment and fabric care, repair, and alteration business. We can sell any products or services we or our affiliates provide to you for use in your Franchised Business to any person, whether in or outside your Designated Territory. We can also sell or grant third parties the right to sell goods or services competitive with those sold by your Franchised Business under the Mulberrys Garment Care mark or otherwise through other distribution channels including the Internet, retailers, catalog sales, telemarketing, or other direct marketing, inside and outside of your Designated Territory. We can provide or authorize others (including our affiliates or other franchisees) to provide Delivery Services under the Mulberrys Garment Care mark or under any other trademarks whether in or outside your Designated Territory. We can market and sell products and services to national, regional, and institutional accounts, whether located inside or outside the Designated Territory. We can acquire businesses in the Designated Territory that are similar to your Franchised Business or sell our business whether through a sale of assets or stock to anyone or merger, regardless whether they operate or franchise the operation of businesses similar to your Franchised Business.

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.

Except as provided in this Item 12, during the term of your Franchise Agreement, your Designated Territory may not be modified under any circumstances. Except as provided above, continuation of your territorial rights in your Designated Territory does not depend on your achieving a certain sales volume, market penetration, or other contingency.

#### Locker Services

You may not offer or provide any Locker Services or similar drop-box or kiosk services from or in connection with your Cleaning Facility, unless you: (a) obtain our prior written approval to provide Locker Services and purchase the lockers from us or our affiliate; (b) comply with our System standards and other standards that we may periodically specify relating to Locker Services; (c) locate the lockers only within your Designated Territory of your Cleaning Facility as extensions of your Cleaning Facility; (d) obtain our prior approval for any proposed site for the lockers, which we may approve or reject in our discretion, obtain possession of the approved site, and install the lockers at the approved site; and (e) service any lockers only through your employees, and do not use independent contractors or third party agents (including third party delivery services or aggregators) to service the lockers. You will not receive an additional territory around your lockers. You may not provide Locker Services from or in connection with a Retail Store unless we approve you to.

#### Delivery Services

You may not offer or provide any Delivery Services or similar services from or in connection with your Cleaning Facility, unless you: (a) obtain our prior written approval to provide Delivery Services; (b) comply with our System standards and other standards that we may periodically specify relating to Delivery Services; and (c) provide Delivery Services directly to customers only through your employees, and do not use independent contractors or third party agents (including third party delivery services or aggregators) to provide those Delivery Services. If we grant you the right to provide Delivery Services

from your Cleaning Facility, then you would be able to provide Delivery Services only within the delivery area that we may periodically specify. The delivery area is typically the same as the Designated Territory for your Cleaning Facility (unless we specify a smaller area). We may, at any time and for any or no reason, change the definition of the delivery area and, in particular, reduce its size. We have the right to review requests for delivery outside the delivery area and may, on a temporary basis, give our approval for those Delivery Services or revoke our approval. If we ever decide to do so, you agree immediately to provide Delivery Services only within the newly-defined delivery area (if any). If you fail to do so, or otherwise fail to comply with our System standards as they relate to Delivery Services, then we may immediately terminate your right to provide any Delivery Services anywhere or terminate your Franchise Agreement. The delivery area is not exclusive and we may engage, and/or allow other franchisees and third parties to engage, in any activities we desire within the delivery area without any restrictions whatsoever (other than as may be restricted in the Designated Territory). We will not be liable for any reduction in your sales as a result of these activities. You must follow our rules for Delivery Services and delivery driver qualifications. You may not provide Delivery Services from or in connection with a Retail Store unless we approve you to.

### Customers

We do not restrict the customers you may serve, and you generally may provide products and services to customers of your Franchised Business who are from inside or outside your Designated Territory (except Locker Services and Delivery Services may not be provided outside your Designated Territory as described above). Likewise, other franchisees or us or our affiliates may also provide products and services to customers who are from within your Designated Territory. Although you can service customers from outside of your Designated Territory as provided above, you cannot solicit these customers via the Internet, telemarketing, mailings, or other direct marketing efforts unless we approve of those methods. In any event, all of your advertising and marketing must be approved by us, and you must obtain our written approval before you establish any website, web page, or social networking or social media site, profile, account or hashtag, relating to or making reference to us, your Franchised Business, or the System. We do not promise that another franchisee will not violate its Franchise Agreement and conduct business in your Designated Territory. We do not pay any compensation for soliciting or accepting orders in your Designated Territory.

### National Accounts Program

“National, regional, and institutional accounts” are organizational or institutional customers whose presence is not confined to your Development Territory or Designated Territory, including businesses with offices, locations, or branches situated both inside and outside of your Development Territory or Designated Territory; government agencies, branches, or facilities; healthcare networks; the military; and, any other customer whose presence is not confined to your Development Territory or Designated Territory.

We may implement a National Accounts Program, which would allow us to sell directly or indirectly to any national, regional, and institutional account the products and services offered by Mulberrys Garment Care businesses. If we create a National Accounts Program, we may receive orders for any national, regional, and institutional account to be performed in your Development Territory or Designated Territory. If this happens, we may offer the order to you at the price established by the National Accounts Program so long as you are not in default of the Development Rights Agreement or Franchise Agreement. If you choose not to fulfill the order or are unable to do so, then you will be deemed in default of your Development Rights Agreement or Franchise Agreement and an affiliate of ours or a third party we designate (including another franchisee) may fulfill the order (and you will be entitled to no compensation in connection with the order) or this may be grounds for termination of your Development Rights Agreement or Franchise Agreement (subject to state law).

## Relocation

We will allow you to relocate the site of your Franchised Business within your Designated Territory, if it is not within the Designated Territory of another Mulberrys Garment Care Cleaning Facility or Retail Store or the master territory granted to any master franchisee, and the new site meets our other then-current requirements for a site. You must pay us our relocation fee, which is currently \$7,500. We may modify your Designated Territory upon a relocation based on our then-current standards for territories.

## Rights to Additional Franchises

Except as provided in your Development Rights Agreement, you have no options, rights of first refusal, or similar rights to acquire additional franchises.

### ITEM 13. TRADEMARKS

The Franchise Agreement gives you the right to operate a Franchised Business under the trade names, trademarks, and service marks that we establish. We consider the following trademarks which are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”) to be our principal Marks:

Mark	Registration Number	Registration Date
	3749128	February 16, 2010
MULBERRYS GARMENT CARE (word mark)	6012931	March 17, 2020
LAUNDRY LOCKER (word mark)	4141863	May 15, 2012
LAUNDRY LOCKER BY MULBERRYS	6012825	March 17, 2020

We have all the rights as the owner of the principal Marks to license others to use these principal Marks, which were either registered by us with the USPTO or by Mulberrys Ventures LLC, our predecessor, and King Street Trading LLC, our affiliate and predecessor, which then assigned all of their respective interests in the above principal Marks to us. All affidavits required to preserve and renew the principal Marks disclosed above will be filed.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings, or any pending material litigation involving any of our Marks which are relevant to the use of these Marks. No currently effective litigation affects our use or rights in any of these Marks. No currently effective agreement limits our right to use or license the use of these Marks and we do not know of any infringing uses that could materially affect your use of these Marks.

You must follow our standards when you use our Marks. You may not use any of our Marks alone or with modifying words, designs, or symbols as part of a corporate or business name or in any form on the Internet, including but not limited to URLs, domain names, hash tags, e-mail addresses, locators, links, metatags, or search techniques. You may not use any of our Marks for the sale of any unauthorized product or service or in a manner we have not authorized in writing.

We have an obligation to protect and maintain your rights to use the Marks against encroachment, misuse, or unauthorized use or against any challenges to any rights of use. You must notify us immediately when you learn about an infringement of or challenge to your use of these Marks. We may take the action necessary, in our sole discretion, to prevent the unauthorized use of the Marks, including bringing actions against third parties regarding the use of any of the Marks, but the Franchise Agreement does not require us to take any specific affirmative action. We will control any administrative proceedings or litigation involving the Marks. You must cooperate with us and take all actions we require to carry out the defense or prosecution. We are not required to defend you against a claim based on your use of the Marks.

We may change the Marks and require you to adopt new marks as if they were part of the Franchise Agreement at the time you sign it. You must comply with these changes immediately after we notify you that we have discontinued, modified, or changed one or more of the Marks. We will have no liability or obligation because of the discontinuation, modification, or change. You must not directly or indirectly contest the validity of the Marks or our right to use or license the Marks, trade secrets, confidential information, or business techniques that are part of our System. You must use the designations of ®, TM, and SM in advertising and promotions using the Marks, as we designate.

The Development Rights Agreement does not grant you any rights to use the Marks. These rights arise only under the Franchise Agreement.

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

There are no patents or pending patent applications that are material to the purchase of a franchise. We claim copyright protection for our Operations Manual and to training materials, advertising and promotional materials, forms, formulae, software and technology (including our proprietary Internet-based software and mobile app for scheduling, notifications, and routing), and related materials that we produce, but we have not registered any of these materials with the Copyright Office of the Library of Congress. These materials are proprietary and confidential and are our property. You may use them only as long as you are a franchisee, and only as provided in your Franchise Agreement.

There are currently no effective determinations of the United States Copyright Office, USPTO, or any court regarding any of our copyrighted materials, nor are any proceedings pending, nor are there any currently effective agreements between us and third parties pertaining to our copyrighted materials that will or may significantly limit your use of our copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets, including our methods, techniques, equipment, and formulae of certain supplies and inventory used in your Franchised Business and products and services offered through your Franchised Business (including our proprietary cleaning solutions and supplies). This will be included in our training, Operating Manual, and in materials we may separately provide you. You may use these materials, in the manner we approve, in the operation of your Franchised Business during the duration of your Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. These materials include all trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. You may disclose this information to your Manager and staff but only to the extent necessary to operate the Franchised Business, and then only while your Franchise Agreement is in effect.

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

**Development Rights Agreement**

You must develop Franchised Business(es) under the Development Rights Agreement according to the Development Schedule. We prefer, but do not require, that you personally supervise the development of Franchised Businesses under the Development Rights Agreement. You must hire sufficient personnel to manage and supervise the development of Franchised Businesses under the Development Rights Agreement, who do not need to have an ownership interest in you or complete our Initial Training Program.

If you are a corporation, limited liability company, or partnership or you transfer your Development Rights Agreement to a corporation, limited liability company, or partnership, you and any other owners (and your and their spouses) must sign a personal guaranty of all obligations under the Development Rights Agreement.

We will grant Franchised Businesses under the Development Rights Agreement only to you or your affiliates that we approve. The affiliate must generally be a corporation, limited liability company, or partnership, of which you or 1 or more of your majority owners owns at least 51% of the total authorized ownership interests, but only if you or the owner(s) also has the right to control the day-to-day management of the corporation, limited liability company, or partnership. Any Mulberrys Garment Care franchise that we grant to you or your approved affiliate under the Development Rights Agreement will be granted under our then-current Franchise Agreement, and the Franchised Business must be supervised and operated by you (if the Franchised Business is owner-operated) or by a Manager we approve (as provided below).

**Franchise Agreement**

We prefer that you participate personally, on a full-time basis, in the operation of your Franchised Business. In any event, your business must be directly supervised on-premises by a Manager who will be responsible for the operation of the Franchised Business. You or one of your majority owners if you are not an individual can hold one of these positions. You and your Manager (if your Franchised Business is not owner-operated) must have successfully completed our Initial Training Program. Your Manager does not need an ownership interest in your Franchised Business but must sign non-competition and confidentiality agreements that restrict them to the same extent as you are restricted under the Franchise Agreement.

If you are a corporation, limited liability company, or partnership or you transfer your Franchise Agreement to a corporation, limited liability company, or partnership, you and any other owners (and your and their spouses) must sign a personal guaranty of all obligations under the Franchise Agreement.

**ITEM 16.**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

**Products and Services**

You must offer the products and services we specify, and you may not sell other products or services in your Franchised Business without our prior written approval. You must provide products and services that require specific supplies and equipment, including cleaning supplies, detergents, solvents, formulas, tools, devices, garment care products and laundry products, branded items, uniforms, branded garment bags and hangers, branded collar stays, poly bags, and printed materials, which you must purchase from

us or our affiliate. All of these items must meet our standards. You cannot operate other businesses from your Franchised Business.

We can also limit the type of products or services you may sell. We can also change the products or services we allow you to offer at any time. You must follow our policies, procedures, methods, and techniques and comply with all of our mandatory standards and specifications when providing products or services through your Franchised Business. We can also implement pricing policies, such as maximum price policies, and minimum advertised price policies, and you must abide by these policies to the extent allowed by applicable law.

#### Locker Services

You may not offer or provide any Locker Services or similar drop-box or kiosk services from or in connection with your Cleaning Facility, unless you: (a) obtain our prior written approval to provide Locker Services and purchase the lockers from us or our affiliate; (b) comply with our System standards and other standards that we may periodically specify relating to Locker Services; (c) locate the lockers only within your Designated Territory of your Cleaning Facility as extensions of your Cleaning Facility; (d) obtain our prior approval for any proposed site for the lockers, which we may approve or reject in our discretion, obtain possession of the approved site, and install the lockers at the approved site; and (e) service any lockers only through your employees, and do not use independent contractors or third party agents (including third party delivery services or aggregators) to service the lockers. You may not provide Locker Services from or in connection with a Retail Store unless we approve you to.

#### Delivery Services

You may not offer or provide any Delivery Services or similar services from or in connection with your Cleaning Facility, unless you: (a) obtain our prior written approval to provide Delivery Services; (b) comply with our System standards and other standards that we may periodically specify relating to Delivery Services; and (c) provide Delivery Services directly to customers only through your employees, and do not use independent contractors or third party agents (including third party delivery services or aggregators) to provide those Delivery Services. If we grant you the right to provide Delivery Services from your Cleaning Facility, then you would be able to provide Delivery Services only within the delivery area that we may periodically specify. You must follow our rules for Delivery Services and delivery driver qualifications. You may not provide Delivery Services from or in connection with a Retail Store unless we approve you to.

#### **Customers**

We do not restrict the customers you may serve, and you generally may provide products and services to customers of your Franchised Business who are from inside or outside your Designated Territory (except Locker Services and Delivery Services may not be provided outside your Designated Territory). Likewise, other franchisees or us or our affiliates may also provide products and services to customers who are from within your Designated Territory. Although you can service customers from outside of your Designated Territory as provided above, you cannot solicit these customers via the Internet, telemarketing, mailings, or other direct marketing efforts unless we approve of those methods. In any event, all of your advertising and marketing must be approved by us, and you must obtain our written approval before you establish any website, web page, or social networking or social media site, profile, account or hashtag, relating to or making reference to us, your Franchised Business, or the System.

#### Membership Plans

If we set up membership plans for customers to obtain products and services from any Mulberrys Garment Care business, or membership plans for Locker Services or Delivery Services, we may require you to honor these membership plans at your Franchised Business, which would require you to give customers who may have purchased a membership plan from us or our affiliate or another Mulberrys

Garment Care business the full benefits of membership at your Franchised Business including, potentially, reduced prices.

National Accounts Program

We may implement a National Accounts Program, which would allow us to sell directly or indirectly to any national, regional, and institutional account the products and services offered by Mulberrys Garment Care businesses. If we create a National Accounts Program, we may receive orders for any national, regional, and institutional account to be performed in your Development Territory or Designated Territory. If this happens, we may offer the order to you at the price established by the National Accounts Program so long as you are not in default of the Development Rights Agreement or Franchise Agreement. If you choose not to fulfill the order or are unable to do so, then you will be deemed in default and an affiliate of ours or a third party we designate (including another franchisee) may fulfill the order, and you will be entitled to no compensation in connection with the order.

**ITEM 17.  
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**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.**

**Franchise Agreement**

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 2(a)	10 years.
b. Renewal or extension of the term	Sections 2(b) and 2(c)	If you are in good standing and you meet our conditions, you can renew your franchise for an additional 10-year period.
c. Requirements for you to renew or extend	Section 2(c)	Give written notice; sign new franchise agreement (which may contain materially different terms and conditions than your original Franchise Agreement); upgrade and remodel your Franchised Business to comply with then-current standards; provide us with evidence of property control; sign general release; pay renewal fee.
d. Termination by you	Sections 2(f) and 19(b)	The Franchise Agreement will terminate automatically if you elect to convert a Retail Store to a Cleaning Facility, and we approve the conversion upon your signing of a new franchise agreement (which may contain materially different terms and conditions than your original Franchise Agreement). You may terminate if we default and do not cure our default after receiving notice from you.
e. Termination by us without cause	Not Applicable	Not Applicable

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
f. Termination by us with cause	Sections 19(a) and 19(c)	We may terminate only if you default.
g. "Cause" defined – curable defaults	Section 19(a)	Most defaults are curable and you will have 30 days to cure (10 days for monetary defaults), subject to state law variations.
h. "Cause" defined – non-curable defaults	Sections 9(f) and 19(a)	You lose the right to occupy your Franchised Business' premises; you fail to have an agreement with a Cleaning Facility to service your Retail Store; you fail to obtain a site for your Franchised Business within 60 days of the date of your Franchise Agreement; you fail to open within 150 days of the date of your Franchise Agreement; you abandon the business; you or any of your owners engage in fraudulent conduct or are convicted of, or plead guilty or no contest to, certain crimes; you maintain false books or records or submit any false or misleading application, statement, or report to us; you commit a default 3 or more times within a 12 month period (whether or not cured); you misuse the Marks or materially impair the value of, or the goodwill associated with the Marks or the System; or you or your affiliates is in default under any agreement, including the Development Rights Agreement, with us or our affiliates.
i. Your obligations on termination/non-renewal	Sections 19(d) and 19(e)	Stop operating the business, stop using our names and the Marks, return information to us, assign to us or cancel certain registrations, listings, telephone numbers, websites, and domain names, pay all amounts you owe us, and provide us an option to purchase certain assets of your business.
j. Assignment of contract by us	Section 16(a)	No restriction on our right to assign.
k. "Transfer" by you – defined	Section 16(b)	Includes transfer of the Franchise Agreement or Franchised Business, or transfer of majority control of the Franchise Agreement or of the business.
l. Our approval of transfer by franchisee	Section 16(c)	We must approve all transfers, but will not withhold our consent if all of the requirements for the transfer are met.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
m. Conditions for our approval of transfer	Section 16(c)	Transferee must meet our requirements, including sign a new franchise agreement on our then-current form for the remaining term of your Franchise Agreement. (The new franchise agreement may provide for different fees or territory than in your Franchise Agreement, but we will not require the transferee to pay us a new initial franchise fee.) You must also pay a transfer fee and sign a release (subject to state law).
n. Our right of first refusal to acquire your business	Section 17	We can match any offer for your Franchised Business or an interest in the Franchised Business, including a sale between owners or between an owner and you, or for the property upon which the Franchised Business is located.
o. Our option to purchase your business	Section 19(e)	We have the option to purchase any or all of your approved inventory, equipment, supplies, signs, and branded items at fair market value (excluding the value of any goodwill).
p. Your death or disability	Section 16(c)(2)	Your heirs can assume your rights, but if they do, they must meet the transfer requirements.
q. Non-competition covenants during the term of the franchise	Section 15(a)(1)	No involvement in a business that provides dry cleaning, laundry, or garment and fabric care, repair, and alteration products or services.
r. Non-competition covenants after the franchise is terminated or expires	Section 15(a)(2)	For 2 years, no involvement in any business that provides dry cleaning, laundry, or garment and fabric care, repair, and alteration products or services and that is located in your Designated Territory, a radius of 30 miles from your Designated Territory, or a radius of 30 miles from any other Mulberrys Garment Care Cleaning Facility or Retail Store (excluding lockers).
s. Modification of the agreement	Section 23(h)	No modifications without consent by both you and us, but our manuals are subject to change.
t. Integration/merger clause	Section 23(l)	Only the terms of the Franchise Agreement and other written agreements are binding (subject to applicable state law), except that nothing in the Franchise Agreement will disclaim or require you to waive reliance on any representations made in this Disclosure Document. Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 20	Except for certain disputes, all disputes must be first mediated, and if not settled by mediation, are then subject to arbitration.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
v. Choice of forum	Section 20(c)	Subject to state law, arbitration must be in Florida.
w. Choice of law	Section 23(b)	Subject to state law, Florida law generally applies.

### **Development Rights Agreement**

<b>Provision</b>	<b>Section in Development Rights Agreements</b>	<b>Summary</b>
a. Length of the franchise term	Section 5(a)	Expires on date when last Franchised Business under the Development Schedule opens for business, or the Development Rights Agreement is terminated.
b. Renewal or extension of the term	Section 2(e)	You have no right to renew the term. At your request and in our sole discretion, we may extend the Development Schedule in full-month increments.
c. Requirements for you to renew or extend	Section 2(e)	For Development Schedule extensions only, you must request an extension 14 calendar days before the deadline date, provide the number of full months of extensions requested, and pay us an extension fee.
d. Termination by you	Not Applicable	You may not terminate (subject to applicable state law).
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Section 5	We may terminate only if you default.
g. "Cause" defined – curable defaults	Not Applicable	You have no right to cure defaults (subject to applicable state law).
h. "Cause" defined – non-curable defaults	Section 5	Failure to meet Development Schedule; breach of any obligation under the Development Rights Agreement; termination of any Franchise Agreement with you or your affiliate; an assignment for the benefit of creditors; any unauthorized assignment or transfer; conviction of an offense related to the Franchised Business; or submitting of any false or misleading application, statement, or report to us.
i. Your obligations on termination/non-renewal	Section 5(c)	Your development rights cease, and your rights to use the System and Marks is limited to those Franchised Businesses in development or in operation pursuant to effective Franchise Agreements.

<b>Provision</b>	<b>Section in Development Rights Agreements</b>	<b>Summary</b>
j. Assignment of contract by us	Section 4(a)	No restriction on our right to assign.
k. "Transfer" by you – defined	Section 4(b)	Not transferable.
l. Our approval of transfer by franchisee	Section 4(b)	No transfers.
m. Conditions for our approval of transfer	Section 4(b)	No transfers.
n. Our right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	Section 7(i)	No modifications without consent by both you and us.
t. Integration/merger clause	Section 7(m)	Only the terms of the Development Rights Agreement and other written agreements are binding (subject to applicable state law), except that nothing in the Development Rights Agreement will disclaim or require you to waive reliance on any representations made in this Disclosure Document. Any representation or promises made outside of this Disclosure Document and Development Rights Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 7(c)	Except for certain disputes, all disputes must be first mediated, and if not settled by mediation, are then subject to arbitration.
v. Choice of forum	Section 7(c)	Subject to state law, arbitration must be in Florida.

Provision	Section in Development Rights Agreements	Summary
w. Choice of law	Section 7(b)	Subject to state law, Florida law generally applies.

**ITEM 18.  
PUBLIC FIGURES**

We currently do not use any public figure to promote the sale of franchises.

**ITEM 19.  
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

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 Dan Miller at 126 Macfarlane Drive, Delray Beach, Florida 33483 and 877-814-5421, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20.  
OUTLETS AND FRANCHISEE INFORMATION**

**Unit Franchise Offering**

The information included in Table Nos. 1-5(A) refer to Mulberrys Garment Care businesses owned and operated by us or our affiliates or our unit franchisees.

**Table No. 1(A)  
Systemwide Outlet Summary  
For Years 2022 to 2024 (Note 1)**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	7	5	-2
	2023	5	6	+1
	2024	6	12	+6
Company-Owned (Note 2)	2022	7	6	-1
	2023	6	6	0
	2024	6	0	-6
<b>Total Outlets</b>	<b>2022</b>	<b>14</b>	<b>11</b>	<b>-3</b>
	<b>2023</b>	<b>11</b>	<b>12</b>	<b>+1</b>
	<b>2024</b>	<b>12</b>	<b>12</b>	<b>0</b>

Note 1. The numbers for each year are as of December 31, and include Cleaning Facilities and Retail Stores.

Note 2. These outlets were owned by our affiliate.

**Table No. 2(A)  
Transfers of Outlets from Franchisees to New Owners  
For Years 2022 to 2024 (Note 1)**

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0

State	Year	Number of Transfers
<b>Total</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>

Note 1. The numbers for each year are as of December 31, and include Cleaning Facilities and Retail Stores.

**Table No. 3(A)  
Status of Franchised Outlets  
For Years 2022 to 2024 (Note 1)**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
California (Note 2)	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	6	0	0	0	0	6
Minnesota	2022	7	0	0	0	0	2	5
	2023	5	1	0	0	0	0	6
	2024	6	0	0	0	0	0	6
<b>Total</b>	<b>2022</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>5</b>
	<b>2023</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
	<b>2024</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>

Note 1. The numbers for each year are as of December 31, and include Cleaning Facilities and Retail Stores.

Note 2. Outlets Opened in California in 2024 reflect 6 existing opened company-owned outlets that were sold by us to a franchisee (see Table No. 4(A)).

**Table No. 4(A)**  
**Status of Company-Owned Outlets**  
**For Years 2022 to 2024 (Notes 1 and 2)**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2022	7	0	0	1	0	6
	2023	6	0	0	0	0	6
	2024	6	0	0	0	6	0
<b>Total</b>	<b>2022</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>6</b>
	<b>2023</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
	<b>2024</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>

Note 1. The numbers for each year are as of December 31, and include Cleaning Facilities and Retail Stores.

Note 2. These outlets were owned by our affiliate.

**Table No. 5(A)**  
**Projected Openings**  
**As of December 31, 2024 (Note 1)**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in Next Fiscal Year	Projected New Company-Owned Outlet in Next Fiscal Year
California	1	0-2	0
Minnesota	1	1-2	0
<b>Total</b>	<b>2</b>	<b>1-4</b>	<b>0</b>

**Master Franchisee Subfranchisees**

The information included in Table Nos. 1-5(B) refer to Mulberrys Garment Care businesses owned and operated by our master franchisee or its affiliates or subfranchisees. As described in Item 1, we previously offered Mulberrys Garment Care master franchises. As of December 31, 2024, we had granted 1 master franchise, which master franchisee has the right to open and operate, or grant subfranchised, Mulberrys Garment Care businesses within its authorized territory that are substantially similar to the Mulberrys Garment Care businesses that we offer under this Disclosure Document and under our Marks. Neither our master franchisee, nor their subfranchisees, are affiliates of ours and we are not the franchisor of these subfranchisees; however, because the Mulberrys Garment Care businesses owned and operated by our master franchisee and their subfranchisees are substantially

similar to the Mulberrys Garment Care businesses we offer under this Disclosure Document, we are required to be disclosed in this Item 20.

**Table No. 1(B)**  
**Systemwide Outlet Summary**  
**For Years 2022 to 2024 (Note 1)**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Subfranchised (Note 2)	2022	0	0	0
	2023	0	1	+1
	2024	1	1	0
Company-Owned (Note 3)	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
<b>Total Outlets</b>	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>1</b>	<b>+1</b>
	<b>2024</b>	<b>1</b>	<b>1</b>	<b>0</b>

Note 1. The numbers for each year are as of December 31, and include Cleaning Facilities and Retail Stores.

Note 2. These outlets are subfranchised by our master franchisee.

Note 3. These outlets are owned by our master franchisee or its affiliates.

**Table No. 2(B)**  
**Transfers of Outlets from Subfranchisees to New Owners**  
**For Years 2022 to 2024 (Note 1)**

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0
<b>Total</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>

Note 1. The numbers for each year are as of December 31, and include Cleaning Facilities and Retail Stores. These outlets are subfranchised by our master franchisee.

**Table No. 3(B)  
Status of Subfranchised Outlets  
For Years 2022 to 2024 (Note 1)**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
D.C.	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<b>Total</b>	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2024</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

Note 1. The numbers for each year are as of December 31, and include Cleaning Facilities and Retail Stores. These outlets are subfranchised by our master franchisee.

**Table No. 4(B)  
Status of Company-Owned Outlets  
For Years 2022 to 2024 (Notes 1 and 2)**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
<b>Total</b>	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note 1. The numbers for each year are as of December 31, and include Cleaning Facilities and Retail Stores.

Note 2. These outlets are owned by our master franchisee or its affiliates.

**Table No. 5(B)**  
**Projected Openings**  
**As of December 31, 2024 (Note 1)**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in Next Fiscal Year	Projected New Company-Owned Outlet in Next Fiscal Year
Each State	0	0-1	0
<b>Total</b>	<b>0</b>	<b>0-2</b>	<b>0</b>

Note 1. These projected openings are of Mulberrys Garment Care businesses owned and operated by our master franchisee or its affiliates or subfranchisees.

**General Notes**

The Mulberrys Garment Care businesses owned by our affiliate and unit franchisees, or by our master franchisee and their affiliates and subfranchisees, are listed in Exhibit D. We did not have any franchisee who had a Franchise Agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily, ceased to do business under the Franchise Agreement during the fiscal year ended December 31, 2024, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not created, sponsored, or endorsed any franchise organization and no independent franchisee organization has asked to be included in this Disclosure Document.

**ITEM 21.**  
**FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit E is a copy of our audited financial statements for the fiscal years ending December 31, 2024, December 31, 2023, and December 31, 2022.

Attached to this Disclosure Document as Exhibit E is a copy of our Balance Sheet and Profit and Loss Statement as of and for the 3-month period ended March 31, 2025. These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

**ITEM 22.  
CONTRACTS**

The following agreements and other required exhibits are attached to this Disclosure Document:

- Exhibit A. Attached to this Disclosure Document as Exhibit A are state specific addenda to the Disclosure Document, if any.
- Exhibit F. Attached to this Disclosure Document as Exhibit F is a copy of the form Franchise Agreement; state specific addenda to the Franchise Agreement, if any; Statement of Ownership and Management; and form of a Guaranty to be signed by shareholders of a corporate franchisee, members of a limited liability company franchisee, or partners of a partnership franchisee. Also attached is a Cleaning Facility Addendum to Franchise Agreement if you purchase a Cleaning Facility Franchised Business; a transfer form if you want to sell, assign, or transfer your Franchise Agreement to a corporation, limited liability company, or partnership you own; and an example of a release you must sign if you want to sell, assign, or transfer your Franchise Agreement to an unrelated third party or to an entity or partnership you do not own or control.
- Exhibit G. Attached to this Disclosure Document as Exhibit G is a copy of the form Development Rights Agreement; state specific addenda to the Development Rights Agreement, if any; Statement of Ownership and Management; and form of a Guaranty to be signed by shareholders of a corporate developer, members of a limited liability company developer, or partners of a partnership developer.
- Exhibit H. Attached to this Disclosure Document as Exhibit H is a copy of a sample Electronic Transfer of Funds Authorization authorizing us to initiate one-time, weekly, and/or monthly ACH debit and credit entries against your bank account for amounts that become due and payable by you to us or any affiliate.
- Exhibit I. Attached to this Disclosure Document as Exhibit I is a Franchisee Questionnaire you must complete at the time you purchase a franchise.

**ITEM 23.  
RECEIPTS**

The last 2 pages of this Disclosure Document are detachable documents acknowledging receipt of this Disclosure Document. Please sign both receipt pages and return one to us.

**EXHIBIT A  
STATE SPECIFIC ADDENDA  
TO DISCLOSURE DOCUMENT**

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF CALIFORNIA**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document, Franchise Agreement, or Development Rights Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business will be located in California.

1. Item 5 of this Franchise Disclosure Document is modified as follows:

“Based upon the Franchisor’s financial condition, the California Department of Financial Protection and Innovation has required a financial assurance. Therefore, all initial fees and payments owed by franchisees prior to the opening of the Franchised Business shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement and the Franchised Business has opened.”

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 14 DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

3. Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

4. Section 31125 of the California Corporations Code requires us to give you a Disclosure Document approved by the Commissioner of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement. We have or will comply with all of the requirements under California Corporations Code, Section 31109.1, with respect to negotiated sales.

5. Item 3 of the Franchise Disclosure Document is supplemented by the additional paragraph:

“Neither Mulberrys Franchising, LLC nor any person described in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 78a et seq. suspending or expelling such persons from membership in such association or exchange.”

6. Item 17 of the FDD is amended by the insertion of the following:

“The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning transfer, termination and non-renewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to transfer, termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with us, including the areas of transfer,

termination and renewal of your franchise. If the Franchise Agreement is inconsistent with the law, the law will control.”

“The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).”

7. The Franchise Agreement requires application of the laws and forum of Florida. This provision may not be enforceable under California law.
8. The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.
9. The highest interest rate allowed by law in California for late payments is 10% annually.
10. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.**
11. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this addendum.

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF MINNESOTA**

Notwithstanding anything to the contrary in the Mulberrys Garment Care Franchise Disclosure Document, the following provisions shall supersede and apply to all Mulberrys Garment Care franchises offered and sold to residents of the State of Minnesota or if the Franchised Business will be located in Minnesota:

1. Minnesota Statutes, Section 80C.21, and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Disclosure Document or agreement(s) can abrogate or reduce (a) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C; or (b) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (a) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and (b) that consent to the transfer of the franchise will not be unreasonably withheld.
3. To the extent required by Minnesota Statutes, Chapter 80C, the franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols related to the trademarks or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks, provided the franchisee is using the names in marks in accordance with the Franchise Agreement.
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief.
6. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.17, Subd. 5 with respect to limitation of claims.
7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of Minnesota Statutes, Chapter 80C, are met independently without reference to this Addendum.

**EXHIBIT B  
LIST OF STATE AGENCIES AND  
AGENTS FOR SERVICE OF PROCESS**

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process</b>
California	<p>Department of Financial Protection and Innovation</p> <p>2101 Arena Boulevard Sacramento, CA 95834</p> <p>Tel: 1-866-275-2677 (toll free) Ask.DFPI@dfpi.ca.gov (email)</p>	<p>Commissioner of Department of Financial Protection and Innovation</p> <p>2101 Arena Boulevard Sacramento, CA 95834</p> <p>Tel: 1-866-275-2677 (toll free)</p>
Connecticut	<p>Securities and Business Investment Division Connecticut Department of Banking</p> <p>260 Constitution Plaza Hartford, CT 06103</p> <p>Tel: 860-240-8299</p>	
Florida	<p>Department of Agriculture &amp; Consumer Services</p> <p>Plaza Level 10, The Capitol 400 S. Monroe St. Tallahassee, FL 32399-0800</p> <p>Tel: 850-245-6000</p>	
Georgia	<p>Corporations Division Georgia Secretary of State</p> <p>313 West Tower 2 Martin Luther King Jr. Drive, Suite 313 Atlanta, GA 30334</p> <p>Tel: 404-656-2817</p>	
Hawaii	<p>Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division</p> <p>Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, HI 96813</p> <p>Tel: 808-586-2722</p>	<p>Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division</p> <p>Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, HI 96813</p> <p>Tel: 808-586-2722</p>

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process</b>
Illinois	Franchise Division Office of the Attorney General  500 South Second Street Springfield, IL 62706  Tel: 217-782-4465	Franchise Division Office of the Attorney General  500 South Second Street Springfield, IL 62706  Tel: 217-782-4465
Indiana	Securities Division Indiana Secretary of State  302 W. Washington Street, Room E 111 Indianapolis, IN 46204  Tel: 317-232-6681	Indiana Secretary of State  200 West Washington Street Indianapolis, IN 46204  Tel: 317-232-6531
Kentucky	Consumer Protection Division Office of the Kentucky Attorney General  1024 Capitol Center Drive Frankfort, KY 40601  Tel: 502-696-5389	
Louisiana	Commercial Division Secretary of State  8585 Archives Ave. Baton Rouge, LA 70809  Tel: 225-925-4704	
Maine	Office of Securities Department of Professional and Financial Regulation  121 State House Station Augusta, ME 04333  Tel: 207-624-8551	
Maryland	Office of the Attorney General Securities Division  200 St. Paul Place Baltimore, MD 21202  Tel: 410-576-6360	Office of the Attorney General Securities Division  200 St. Paul Place Baltimore, MD 21202  Tel: 410-576-6360
Michigan	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit  G. Mennen Williams Building, 1 <sup>st</sup> Floor 525 W. Ottawa Street Lansing, MI 48909  Tel: 517-373-7117	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit  G. Mennen Williams Building, 1 <sup>st</sup> Floor 525 W. Ottawa Street Lansing, MI 48909  Tel: 517-373-7117

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process</b>
Minnesota	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101 Tel: 651-296-6328	Minnesota Commissioner of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101 Tel: 651-539-1600
Nebraska	Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, NE 68508 P.O. Box 95006 Lincoln, NE 68509-5006 Tel: 402-471-2171	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street New York, NY 10005 Tel: 212-416-8222	New York Secretary of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 12231 Tel: 518-473-2492
North Carolina	Secretary of State 2 South Salisbury Street Raleigh, NC 27601 Tel: 919-814-5400	
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 Tel: 701-328-2910	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 Tel: 701-328-2910
Rhode Island	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 Tel: 401-462-9527	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 Tel: 401-462-9527
South Carolina	Secretary of State P.O. Box 11350 Columbia, SC 29211 Tel: 803-734-2166	

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process</b>
South Dakota	Department of Labor and Regulation Division of Insurance Securities Regulation  124 S. Euclid, Suite 104 Pierre, SD 57501 Tel: 605-773-3563	Department of Labor and Regulation Division of Insurance Securities Regulation  124 S. Euclid, Suite 104 Pierre, SD 57501 Tel: 605-773-3563
Texas	Secretary of State Registrations Unit  P.O. Box 13193 Austin, TX 78711 Tel: 512-475-0775	
Utah	Utah Department of Commerce Consumer Protection Division  160 East 300 South Salt Lake City, UT 84111 Tel: 801-530-6601 Fax: 801-530-6001	
Virginia	State Corporation Commission Division of Securities and Retail Franchising  Tyler Building, 9th Floor 1300 E. Main Street Richmond, VA 23219 Tel: 804-371-9051	Clerk of the State Corporation Commission  1300 East Main Street, 1st Floor Richmond, VA 23219 Tel: 401-462-9527
Washington	Department of Financial Institutions Securities Division  P.O. Box 9033 Olympia, WA 98507 Tel: 360-902-8760	Department of Financial Institutions Securities Division  150 Israel Rd S.W. Tumwater, WA 98501 Tel: 360-902-8760
Wisconsin	Wisconsin Dept. of Financial Institutions Office of the Commissioner of Securities  4822 Madison Yards Way, North Tower Madison, WI 53705 Tel: 608-261-9555	Wisconsin Dept. of Financial Institutions Office of the Administrator of Securities  4822 Madison Yards Way, North Tower Madison, WI 53705 Tel: 608-261-9555

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**EXHIBIT D  
LIST OF OUTLETS**

**Current Company-Owned Outlets as of December 31, 2024**

None.

**Current Franchised Outlets as of December 31, 2024**

The following outlets are franchised by us as of December 31, 2024:

<b>Franchisee</b>	<b>State</b>	<b>City</b>	<b>Address</b>	<b>Phone Number</b>
Mulberrys San Francisco, LLC	California	Belmont	1050 Elmer Street Belmont, CA 94002	877-814-5421
Mulberrys San Francisco, LLC	California	Burlingame	251 Primrose Rd Burlingame, CA 94010	650-579-6066
Mulberrys San Francisco, LLC	California	San Carlos	1161 Brittan Ave San Carlos, CA 94070	650-593-9734
Mulberrys San Francisco, LLC	California	San Francisco	2295 Filbert Street San Francisco, CA 94123	877-814-5421
Mulberrys San Francisco, LLC	California	San Francisco	244 Townsend San Francisco, CA 94107	415-546-0629
Mulberrys San Francisco, LLC	California	San Francisco	850 Emmett Ave Suite B Belmont, CA 94002	650-594-9921
Irony, LLC	Minnesota	Edina	5127 Gus Young Ln Minneapolis, MN 55436	612-392-1820
Irony, LLC	Minnesota	Minneapolis	615 West 53rd St Minneapolis, MN 55419	612-223-7915
Irony, LLC	Minnesota	Roseville	2579 Fairview Avenue N Roseville, MN 55113	651-447-7042
Irony, LLC	Minnesota	St. Louis Park	3900 West Lake St St. Louis Park, MN 55416	612-392-3770
Irony, LLC	Minnesota	St. Paul	978 Grand Ave St. Paul, MN 55105	651-447-7042
Irony, LLC	Minnesota	Wayzata	1042 Wayzata Blvd Wayzata, MN 55391	952-473-7311

**Current Subfranchised Outlets as of December 31, 2024**

The following outlets are subfranchised by our master franchisees as of December 31, 2024:

<b>Franchisee</b>	<b>State</b>	<b>City</b>	<b>Address</b>	<b>Phone Number</b>
Coam Yuk, LLC	D.C.	Washington	5019 Wisconsin Ave NW	202-937-0001

**Former Franchisees as of December 31, 2024**

None.

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

**EXHIBIT E  
FINANCIAL STATEMENTS**

# **Mulberrys Franchising, LLC**

Audited Financial Statements for the Year Ended December 31, 2024

# **INDEPENDENT AUDITOR'S REPORT**

To the Members of Mulberrys Franchising, LLC

## **REPORT ON THE FINANCIAL STATEMENT**

We have audited the accompanying financial statements of **Mulberrys Franchising, LLC**, which comprise the **balance sheet** as of December 31, 2024, and the related **income statement, cash flow statement, and statement of changes in equity** for the year then ended, and the related notes to the financial statements.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with **generally accepted accounting principles (GAAP)**, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to

fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **OPINION**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Mulberrys Franchising, LLC** as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with **generally accepted accounting principles**.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by state law, we have also audited the Company's compliance with the necessary state regulations regarding franchise operations. In our opinion, the financial statements comply with these requirements.

### **AUDITOR'S CONCLUSION**

In my opinion, the financial statements of Mulberrys Franchising, LLC present a true and fair view of the company's financial position and results of operations for the year ended December 31, 2024. The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP), and the audit was conducted with due diligence to ensure accuracy and compliance with relevant standards.

## **CERTIFICATION**

I, **Crystal Arthur**, Certified Public Accountant (CPA), hereby certify that the enclosed financial statements for **Mulberrys Franchising, LLC** for the year ended **December 31, 2024**, have been prepared in accordance with standard accounting practices and accurately reflect the company's financial performance and projections. These reports are based on the information provided by the client and the assumptions discussed, and I take full responsibility for their accuracy.

**Name: CRYSTAL ARTHUR**

**Certified Public Accountant**

A handwritten signature in black ink that reads "Crystal Arthur". The signature is written in a cursive style with a large initial "C" and "A".

**Location: Ellettsville IN, United States**

**Date: 8<sup>th</sup> of April, 2025**

**Licensed Number: CP11500183**

## Income Statement

For the Year Ended December 31, 2024

<b>Category</b>	<b>Amount</b>
<b>Total Income</b>	\$1,446,534.18
<b>Gross Profit</b>	\$1,446,534.18
<b>Expenses:</b>	
- Depreciation Expense	\$5,860.00
- Franchisee Ad Spend	\$246,933.72
- General Administrative Exp	\$143,945.80
- Sales and Marketing	\$157,314.21
- Technology (R&D, IT, Software)	\$110,742.89
- Telephone Expense	\$595.48
<b>Total Expenses</b>	\$665,392.10
<b>Net Operating Income</b>	\$781,142.08
<b>Other Income</b>	\$4,804.89
<b>Other Expenses</b>	
- Interest Expense	\$79,076.35
- Interest Expense - Gina Miller	\$138,085.11
<b>Total Other Expenses</b>	\$217,161.46

<b>Net Income</b>	\$568,785.51
-------------------	--------------

## Balance Sheet

**As of December 31, 2024**

<b>Category</b>	<b>Amount</b>
<b>ASSETS</b>	
<b>Current Assets:</b>	
- Bank Accounts	\$53,882.92
- Accounts Receivable (Manual)	\$87,627.97
<b>Total Current Assets</b>	\$141,510.89
<b>Fixed Assets:</b>	
- Software	\$83,225.28
- Vehicles	\$61,381.85
- Accumulated Depreciation	(\$133,485.21)
<b>Total Fixed Assets</b>	\$11,121.92
<b>Total Assets</b>	\$152,632.81
<b>LIABILITIES AND EQUITY</b>	
<b>Current Liabilities:</b>	
- Credit Cards	\$55,224.10

<b>- Other Current Liabilities</b>	\$13,168.60
<b>Total Current Liabilities</b>	\$68,392.70
<b>Long-Term Liabilities:</b>	
<b>- Long-term Loans and Payables</b>	\$3,540,330.02
<b>Total Liabilities</b>	\$3,608,722.72
<b>Equity:</b>	
<b>- Member Distributions (Dan Miller)</b>	(\$706,010.45)
<b>- Member Equity (Dan Miller)</b>	(\$3,192,983.45)
<b>- Member Equity (MT)</b>	(\$725,679.20)
<b>- Retained Earnings</b>	\$599,797.68
<b>- Net Income</b>	\$568,785.51
<b>Total Equity</b>	(\$3,456,089.91)
<b>Total Liabilities and Equity</b>	\$152,632.81

## Cash Flow Statement

For the Year Ended December 31, 2024

Category	Amount
<b>Operating Activities</b>	
- Net Income	\$568,785.51
- Adjustments to Net Income	
- Depreciation	\$7,673.00
- Amortization	\$23,123.00
<b>Net Cash Provided by Operating Activities</b>	<b>\$565,776.00</b>
<b>Investing Activities</b>	
- Purchase/Development of Intangible Assets	\$0.00
<b>Net Cash Used by Investing Activities</b>	<b>\$0.00</b>
<b>Financing Activities</b>	
- Payments on Loan Payables	(\$249,125.00)
- Contributions from Members	\$137,323.00
- Distributions to Members	(\$423,333.00)
<b>Net Cash Used by Financing Activities</b>	<b>(\$535,135.00)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$30,640.00</b>

<b>- Cash at the Beginning of the Year</b>	\$15,410.00
<b>Cash at the End of the Year</b>	\$46,050.00

### Statement of Changes in Equity

**For the Year Ended December 31, 2024**

<b>Category</b>	<b>Amount</b>
<b>Opening Equity</b>	(\$3,456,089.91)
<b>Add: Net Income</b>	\$568,785.51
<b>Less: Member Distributions</b>	(\$706,010.45)
<b>Ending Equity</b>	(\$3,456,089.91)

## **NOTES TO FINANCIAL STATEMENTS**

### **1. Basis of Accounting**

The financial statements have been prepared using the **cash basis of accounting**. Revenue and expenses are recognized when cash is received or paid.

### **2. Revenue Recognition**

Revenue from franchise fees is recognized upon substantial completion of all material conditions related to the initial fee. Continuing franchise royalties are earned at 5%-6% of franchise net sales, and marketing fees are collected at 2%-5%.

### **3. Depreciation and Amortization**

Depreciation on vehicles and software is provided using the straight-line method over their estimated useful lives. Amortization of intangible assets is also recognized on a straight-line basis over 5 years.

### **4. Loans and Liabilities**

The company has long-term liabilities in the form of loans to affiliated parties and loans payable to financial institutions, including significant loans to **Gina Miller** and **King Street LLC**.

### **5. Member Distributions**

The company has made significant member distributions during the year, which have resulted in negative equity. The distributions are considered part of the company's capital structure.

### **6. Subsequent Events**

There are no subsequent events that would require adjustments or disclosures beyond what is presented in the financial statements.



Equi-Point Accounting Inc.

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of Mulberrys Franchising, LLC

We have audited the accompanying financials of Mulberrys Franchising, LLC, which comprise the statements of asset, liabilities, and members' equity and the statement of revenue and expenses as of December 31, 2021, 2022 and 2023. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform audits to obtain reasonable assurance about whether the financial statements are free material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the account principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and members' equity as of December 31, 2021, 2022 and 2023, and its revenues and expenses, on the basis of accounting principles described disclosures.

Jaclyn Kidd

Principal

A handwritten signature in black ink, appearing to be 'JK', with a long horizontal line extending to the right.

May 1, 2024

**MULBERRYS FRANCHISING, LLC**  
**(A LIMITED LIABILITY COMPANY)**  
**STATEMENT OF REVENUES AND EXPENSES**

	<b>FOR THE YEARS ENDED</b>		
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>INCOME</b>			
FRANCHISE FEE INCOME	\$ 1,201,861	\$ 1,075,696	\$ 511,473
INTEREST INCOME	63,281	35,156	-
OTHER INCOME	3,991	5,373	5,741
<b>TOTAL INCOME</b>	<b>\$ 1,269,133</b>	<b>\$ 1,116,225</b>	<b>\$ 517,214</b>
<b>EXPENSE</b>			
SALES AND MARKETING	\$ 266,647	\$ 303,759	\$ 270,871
RESEARCH AND DEVELOPMENT	113,232	90,305	-
PAYROLL	-	-	46,716
GENERAL ADMINISTRATIVE	73,329	108,927	106,024
PROFESSIONAL FEES	80,909	45,645	6,219
INSURANCE EXPENSE	18,618	3,761	2,152
BANK FEES	727	846	319
DEPRECIATION	23,123	7,673	639
AMORTIZATION	7,673	27,742	27,742
INTEREST	53,635	60,008	6,561
OTHER EXPENSES	52,437	86	2,559
<b>TOTAL EXPENSES</b>	<b>\$ 690,331</b>	<b>\$ 648,752</b>	<b>\$ 469,802</b>
<b>NET INCOME</b>	<b>\$ 578,802</b>	<b>\$ 467,473</b>	<b>\$ 47,412</b>

**MULBERRYS FRANCHISING, LLC  
(A LIMITED LIABILITY COMPANY)  
BALANCE SHEET**

<u>ASSETS</u>	<u>2023</u>	<u>DECEMBER 31,</u> <u>2022</u>	<u>2021</u>
CURRENT ASSETS			
CASH	\$ 46,051	\$ 15,410	\$ 20,311
ACCOUNTS RECEIVABLE	121,754		
LONG TERM ASSETS			
DUE FROM AFFILIATE	-	4,555,275	4,605,713
FIXED ASSETS			
VEHICLES	61,382	61,382	61,382
ACCUMULATED DEPRECIATION	<u>(15,985)</u>	<u>(8,312)</u>	<u>(639)</u>
TOTAL FIXED ASSETS	45,397	53,070	60,743
OTHER ASSETS			
SOFTWARE	83,225	83,225	83,225
ACCUMULATED AMORTIZATION	<u>(83,225)</u>	<u>(55,483)</u>	<u>(32,361)</u>
TOTAL OTHER ASSETS	-	27,742	50,864
TOTAL ASSETS	\$ 213,202	\$ 4,651,497	\$ 4,737,631
 <u>LIABILITIES AND MEMBERS' EQUITY</u>			
CURRENT LIABILITIES			
CREDIT CARDS	\$ 48,482	\$ 27,614	\$ 36,014
ACCOUNTS PAYABLE	27,930	-	-
LONG TERM LIABILITIES			
VEHICLE LOAN #1	38,402	47,687	56,382
DUE TO AFFILIATE	251,027	256,162	240,733
LOAN PAYABLE ON BEHALF OF RELATED PARTY	3,613,044	3,820,355	3,867,657
TOTAL LIABILITIES	3,978,886	4,151,817	4,200,786
MEMBERS' EQUITY			
MEMBERS' CONTRIBUTIONS	270,847	133,524	123,524
MEMBERS' DISTRIBUTIONS	(869,221)	(445,888)	(170,576)
CAPITAL	(4,273,419)	284,737	524,063
RETAINED EARNINGS	527,307	59,834	12,422
NET INCOME	<u>578,802</u>	<u>467,473</u>	<u>47,412</u>
	(3,765,684)	499,680	536,845
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 213,201	\$ 4,651,497	\$ 4,737,631

**MULBERRYS FRANCHISING, LLC  
(A LIMITED LIABILITY COMPANY)  
STATEMENT OF CASH FLOW**

	<b>FOR THE YEARS ENDED DECEMBER 31,</b>		
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>OPERATING ACTIVITIES</b>			
NET INCOME	\$ 578,802	\$ 467,473	\$ 47,412
<u>ADJUSTMENTS TO NET INCOME</u>			
DUE TO/FROM AFFILIATES	(5,134)	1,469	20,470
DEPRECIATION	7,673	7,673	639
AMORTIZATION	23,123	27,742	27,742
NON CASH TRANSACTIONS	55,136	3,898	24,197
ACCOUNTS PAYABLE	27,930		
ACCOUNTS RECEIVABLE	(121,754)		
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>565,776</u>	<u>508,254</u>	<u>120,460</u>
<b>INVESTING ACTIVITIES</b>			
PURCHASE/DEVELOPMENT OF INTANGIBLE ASSETS	-	-	(69,369)
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(69,369)</u>
<b>FINANCING ACTIVITIES</b>			
PAYMENTS ON LOAN PAYABLES	(249,125)	(247,843)	(109,121)
CONTRIBUTIONS FROM MEMBERS	137,323	10,000	122,770
DISTRIBUTIONS TO MEMBERS	(423,333)	(275,312)	(95,576)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(535,135)</u>	<u>(513,155)</u>	<u>(81,927)</u>
NET CASH INCREASE (DECREASE)	30,640	(4,901)	(30,836)
CASH AT THE BEGINNING OF THE YEAR	15,410	20,311	51,147
CASH AT THE END OF THE YEAR	<u>\$ 46,050</u>	<u>\$ 15,410</u>	<u>\$ 20,311</u>

**Mulberrys Franchising, LLC**  
**(A Limited Liability Company)**  
**Notes to Financial Statements**

**For the years ending December 31, 2021, 2022, 2023**

**1. Summary of significant accounting policies**

Description of current business activities

Mulberrys Franchising, LLC (a Limited Liability Company) is a Texas company. The company franchises toxin-free professional garment dry cleaning service. The franchises offer premium dry cleaning, laundry, garment and fabric care, repairs, and alterations, pick-up and drop off delivery and locker services, and related products and services using proprietary cleaning products and methods of operation that are operated from cleaning facilities or retail stores. There are 6 franchises in operation by the end of 2023.

Property and equipment

Equipment consists of a vehicle used in operations. Depreciation is provided using straight-line methods over their useful life. Depreciation expense for the period ending December 31, 2023 was \$ 7,763.

Intangible assets

Intangible assets are amortized using the straight-line methods over 5 years. The recoverability of intangible assets is periodically reviewed to determine whether adjustments are needed to the carrying values. Amortization expense for the periods ending December 31, 2022 and 2023 was \$ 27,742 and \$ 23,123 respectively.

Estimates

The preparation of financial statements in conformity with the US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

### Start-up Costs

Costs incurred in connection with the start-up franchise are expensed as incurred.

### Franchise fees

Initial fees related to sales of franchises are recognized as revenue upon substantial performance by the Company of all material conditions relating to initial fee. Continuing franchise royalties are based on 5% - 6% percentage of franchise net sales. In addition, there is a collection of 2% - 5% marketing fee on sales to fund marketing. Total franchise fees collected at year end December 31, 2022, and 2023 was and \$ 1,075,696 and \$ 1,201,861 respectively. Franchise fees are used to cover services like advertising and technology.

## **2. Related party transactions**

The Company had certain transactions with King Street, LLC, Millbor, LLC, and Millerberry, LLC, the affiliates. These companies are 100% owned by the members of the Company. The Company agrees to pay long term liabilities on behalf of the affiliates.

## **3. Legal matters**

There are no pending legal matters.

## **4. Subsequent events**

In the first quarter of 2024 the Company has paid off a promissory note on behalf of the affiliate in the amount of \$ 103,826.

UNAUDITED FINANCIAL STATEMENTS:

These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

## Mulberrys Franchising, LLC

## Balance Sheet

As of March 31, 2025

	TOTAL
<b>ASSETS</b>	
Current Assets	<b>\$128,981.48</b>
Fixed Assets	<b>\$11,121.92</b>
<b>TOTAL ASSETS</b>	<b>\$140,103.40</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	<b>\$3,495,964.48</b>
Equity	<b>\$ -3,355,861.08</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$140,103.40</b>

## Mulberrys Franchising, LLC

## Profit and Loss

January - March, 2025

	TOTAL
Income	\$334,164.83
GROSS PROFIT	\$334,164.83
Expenses	
Franchisee Ad Spend	70,216.80
General Administrative Exp	12,657.27
Sales and Marketing	32,022.00
Technology	28,937.58
<b>Total Expenses</b>	<b>\$143,833.65</b>
NET OPERATING INCOME	\$190,331.18
Other Expenses	\$102.35
NET OTHER INCOME	\$ -102.35
NET INCOME	\$190,228.83

**EXHIBIT F**  
**FRANCHISE AGREEMENT, CLEANING FACILITY ADDENDUM TO FRANCHISE AGREEMENT,**  
**STATEMENT OF OWNERSHIP AND MANAGEMENT, GUARANTY, GENERAL RELEASE,**  
**TRANSFER FORM, AND STATE SPECIFIC ADDENDA TO FRANCHISE AGREEMENT**

**MULBERRYS GARMENT CARE  
FRANCHISE AGREEMENT**

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**ATTACHMENTS**

- Rider
- Cleaning Facility Addendum to Franchise Agreement
- Statement of Ownership and Management
- Guaranty
- Franchise Assignment, Sale, and Transfer to Entity Owned By Original Franchisee
- General Release
- State Specific Addenda to Franchise Agreement

**MULBERRYS GARMENT CARE NO. \_\_\_\_\_**

## MULBERRYS GARMENT CARE FRANCHISE AGREEMENT

This **MULBERRYS GARMENT CARE FRANCHISE AGREEMENT** ("Agreement") is made as of the "Effective Date" set forth on the Rider attached hereto (the "Rider"), by and between MULBERRYS FRANCHISING, LLC, a Texas limited liability company ("Franchisor"), and the "Franchisee" set forth on the Rider ("Franchisee").

### INTRODUCTION

Franchisor and its affiliates have developed a System of Operation (as defined below) for the operation of "Mulberrys Garment Care" businesses operated under the Names and Marks (as defined below) that offer premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, pick-up and drop-off delivery services and locker services, and related products and services using proprietary cleaning products and methods of operation that are operated from Cleaning Facilities (as defined below) or Retail Stores (as defined below). Franchisor desires to grant to qualified persons franchises to use the concepts, programs, and methods of promotion developed by Franchisor and its affiliates to develop and operate a "Mulberrys Garment Care" business. Franchisee has applied to Franchisor for a franchise and the application has been approved by Franchisor in reliance on all the representations made in the application.

NOW, THEREFORE, in consideration of the mutual promise of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

#### 1 DEFINITIONS

Capitalized terms used in this Agreement have the meanings given below:

- (a) "Affiliate" shall mean any corporation, limited liability company, partnership, or other business entity of which Franchisee or one or more of Franchisee's majority owners owns at least fifty one percent (51%) of the total authorized ownership interests, as long as Franchisee or such owner(s) have the right to control the management of the corporation, limited liability company, partnership, or other business entity, and in each case approved by Franchisor.
- (b) "Cleaning Facility" shall mean a retail business offering Franchisor's approved products and services under the Names and Marks and using the System of Operation that is attached to a dry cleaning and laundry plant where dry cleaning and laundry services are performed on-site.
- (c) "Competitive Business" shall mean any business or other venture that holds itself out as providing dry cleaning, laundry, or garment and fabric care, repair, and alteration products or services.
- (d) "Designated Territory" shall mean the area described as such and identified in the Rider.
- (e) "Franchise" shall mean the right granted to Franchisee by Franchisor to use the System of Operation and to use the Names and Marks selected, used, and promoted by Franchisor to operate a business that offers premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, pick-up and drop-off delivery services and locker services (only if the Franchised Business is operated from a Cleaning Facility), and related products and services using proprietary cleaning products and methods of operation.
- (f) "Franchised Business" shall mean the business franchised under this Agreement to operate using the System of Operation and the Names and Marks, and that operates from either a Cleaning Facility or Retail Store format as set forth on the Rider.

(g) “Gross Sales” shall mean the total amount of revenues, income, receipts, and other fees received from customers for all business activities taking place by or through the Franchised Business, including, all amounts received from Franchisee’s sale of products and services whether made at or away from the Franchised Business, delivery fees, and all other services and products, if any, sold under the Names and Marks, or otherwise related to the Franchised Business. Excluded from Gross Sales are customer refunds Franchisee actually makes and amounts collected by Franchisee and remitted by Franchisee to any governmental taxing authority in satisfaction of sales or occupation taxes.

(h) The term “including” shall mean “including, but not limited to.”

(i) “Names and Marks” shall mean the commercial trade names, trademarks, service marks, domain names, and other commercial symbols, including associated logos, now or hereafter selected, used or promoted by Franchisor and licensed to Franchisee for use in connection with the System of Operation.

(j) “National, Regional, and Institutional Accounts” shall mean any organizational or institutional customers whose presence is not confined to the Designated Territory, including businesses with offices, locations, or branches situated both inside and outside of the Designated Territory; government agencies, branches, or facilities; healthcare networks; the military; and, any other customer whose presence is not confined to the Designated Territory.

(k) “Restricted Area” shall mean the location of the Franchised Business, the Designated Territory, a radius of thirty (30) miles from the Designated Territory, and a radius of thirty (30) miles from any other Mulberrys Garment Care Cleaning Facility or Retail Store (excluding any lockers) and in existence as of the date of termination, expiration, or assignment of this Agreement.

(l) “Retail Store” shall mean a retail business offering Franchisor’s approved products and services under the Names and Marks and using the System of Operation, but where on-site dry cleaning and laundry are not provided and all services performed or sold through the retail business are processed at Franchisee’s or its Affiliate’s Cleaning Facility or the Cleaning Facility of another Mulberrys Garment Care franchisee or the Cleaning Facility of Franchisor or its affiliate.

(m) “System of Operation” shall mean the business plans and methods developed by Franchisor and its affiliates to be used in connection with the operation of a business that offers premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, and related products and services using proprietary cleaning products and methods of operation. The “System of Operation” includes standards, specifications, methods, procedures, techniques, and management systems, all of which may be changed, improved, and further developed from time to time by Franchisor, but specifically excludes any employee policies or procedures that Franchisor may make available to Franchisee for its optional use during the Term of the Franchise.

(n) “Term of the Franchise” shall mean the initial term of the Franchise.

## 2 GRANT OF FRANCHISE; RENEWAL OF FRANCHISE

(a) **Grant of Franchise; Initial Term.** Subject to the provisions of this Agreement, Franchisor grants to Franchisee a Franchise for an initial term of ten (10) years, commencing on the Effective Date, to utilize the System of Operation in the operation under the Names and Marks of one (1) “Mulberrys Garment Care” business operating from a Retail Store format, and that offers premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and

alterations, and related products and services using proprietary cleaning products and methods of operation within the Designated Territory.

(b) **Renewal.** Franchisee may renew the Franchise for an additional term of ten (10) years, subject to the satisfaction of all conditions imposed by Franchisor upon renewal, including those set forth in Section 2(c).

(c) **Conditions.** Franchisee must satisfy such conditions for renewal as Franchisor may impose, including that upon expiration of the Term of the Franchise, Franchisee shall have:

- (1) complied with all provisions of this Agreement;
- (2) operated the Franchised Business utilizing and conforming to the System of Operation;
- (3) utilized exclusively the Names and Marks in the operation of the Franchised Business;
- (4) upgraded the Franchised Business, including signage and equipment, to meet Franchisor's then-current standards;
- (5) provided Franchisor with evidence of control of the premises for the Franchised Business for the renewal term;
- (6) provided Franchisor with evidence of a written agreement with the nearest Cleaning Facility operated by Franchisee or its Affiliate, or if neither Franchisee nor any Affiliate operates a Cleaning Facility, the nearest Cleaning Facility of another Mulberrys Garment Care franchisee or the Cleaning Facility of Franchisor or its affiliate, to perform all dry cleaning and laundry services on behalf of the Franchised Business for the renewal term;
- (7) provided Franchisor at least two hundred ten (210) days' prior written notice of its election to renew the Franchise; and
- (8) Within thirty (30) days after delivery to Franchisee of all agreements and documents required by Franchisor for renewal: (a) executed Franchisor's then-current form of franchise agreement offered to prospective new franchisees and all other agreements and legal instruments and documents then customarily employed by Franchisor in the grant of Franchises to prospective new franchisees, including a general release; and (b) paid to Franchisor a renewal fee of Six Thousand Dollars (\$6,000).

(d) **Renewal Acknowledgments.** Franchisee acknowledges that the right of renewal set forth herein does not give Franchisee the right to renew any specific provisions of this Agreement, and Franchisee recognizes that the terms of franchise agreements utilized by Franchisor upon renewal are likely to be substantially different than the terms offered by Franchisor as of the date hereof. Franchisee further acknowledges that the failure to meet any conditions of renewal imposed by Franchisor, including those set forth herein, shall be deemed an election by Franchisee not to renew the Franchise.

(e) **Holdover.** If Franchisee does not sign a new franchise agreement prior to expiration of the Term of the Franchise, and Franchisee continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor this Agreement shall be deemed to: (1) have expired as of the date of its stated expiration, with Franchisee then operating without a Franchise to do so and in violation of Franchisor's rights; or (2) be continuing on a month-to-month basis (the "Interim Period") until one party provides the other with written notice

of such party's intention to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. Notwithstanding anything set forth herein to the contrary, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if the Term of the Franchise had not expired and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

(f) **Conversion to a Cleaning Facility.** Franchisee has the option to convert the Retail Store to a Cleaning Facility during the Term of the Franchise, if the following conditions are met:

- (1) Franchisee gives Franchisor written notice of its desire to convert the Franchised Business to a Cleaning Facility;
- (2) Franchisee has complied with all terms and conditions of this Agreement and with Franchisor's operating and quality standards throughout the Term of the Franchise;
- (3) Franchisee is current on all monetary obligations owed to Franchisor, its affiliates, and suppliers throughout the Term of the Franchise;
- (4) The principal owner of Franchisee and the Manager of the Franchised Business complete such portions of the initial training program required by Franchisor;
- (5) Franchisee has obtained all licenses and permits necessary to operate the Franchised Business as a Cleaning Facility; and
- (6) Franchisee has the operational and financial capabilities to convert and operate the Franchised Business from a Cleaning Facility format, and the location of the Franchised Business can accommodate the required furniture, fixtures, and equipment and other items necessary for a Cleaning Facility, according to Franchisor's then-current standards and specifications.

If Franchisor approves the conversion, in its sole and absolute discretion, Franchisee must pay a \$15,000 conversion fee to Franchisor and sign Franchisor's then-current form of franchise agreement for the remainder of the Term of the Franchise under this Agreement and such other documents and agreements required by Franchisor, which terms and conditions may differ from those in this Agreement, except that no initial franchise fee shall be due under the new franchise agreement. Upon execution of the new franchise agreement, this Agreement shall automatically terminate.

### **3 LOCATION; CONSTRUCTION**

(a) **Location.** Franchisor shall provide general guidelines to Franchisee upon execution of this Agreement for the selection of potential locations for the Franchised Business. Franchisee shall operate the Franchised Business from a location approved by Franchisor. It shall be the responsibility of Franchisee to identify prospective sites for the Franchised Business and to obtain Franchisor's approval of any proposed site for the Franchised Business before obtaining possession of the site, but in no event later than sixty (60) days after the execution of this Agreement. Franchisor reserves the right to review and approve any lease or sublease for the location of the Franchised Business. Franchisee shall reimburse Franchisor for any reasonable travel and lodging expenses Franchisor incurs during its site approval process, not to exceed Five Thousand Dollars (\$5,000), payable upon completion of the site approval process. Upon approval of the location of the Franchised Business, Franchisor shall complete the Rider indicating the address of the Franchised Business and the Designated Territory, Franchisee and Franchisor shall execute the Rider, and Franchisee shall secure possession of the location for the Franchised Business. Franchisee shall not use the Franchised Business or its location to operate

any business other than the Franchised Business, and only as a Cleaning Facility or Retail Store as set forth on the Rider. Franchisee may not operate the Franchised Business from more than one (1) location.

(b) **Lease or Sublease Terms.** Any lease or sublease for the premises in which the Franchised Business shall be operated must include the following conditions:

(1) The premises will be operated only as a Mulberrys Garment Care dry cleaning and laundry business;

(2) Upon expiration or termination of the Franchise for any reason whatsoever, the lessor will grant Franchisor an option, for thirty (30) days thereafter, to replace Franchisee as lessee and at any time thereafter to assign its interest to Franchisor, an affiliate, or another franchisee of Franchisor who would then become the lessee with the approval of lessor, which approval may not be unreasonably withheld;

(3) The lessor shall furnish to Franchisor, contemporaneously with that to Franchisee, written notice of any default in the lease or sublease and the action required to cure such default. In the event of a monetary default, the lessor shall allow Franchisor thirty (30) days after receipt of such notice to escrow the funds necessary to cure such default if Franchisee fails to do so. In the event of a non-monetary default, the lessor shall allow Franchisor thirty (30) days after Franchisor's receipt of such written notice to provide the lessor with a letter of undertaking to cure such default if Franchisee fails to do so. If Franchisee fails to cure either type of default, and Franchisor has escrowed the required funds, or provided the necessary undertaking, as the case may be, the lessor shall take any action necessary to remove Franchisee from the premises and retake possession of the premises. The lessor shall then allow Franchisor to cure the default and take possession of the premises as lessee under the same lease or sublease, and at any time thereafter to assign Franchisor's interest in such lease or sublease to an affiliate or another franchisee of Franchisor;

(4) The lessor shall accept Franchisor, its affiliate, or its franchisee as a substitute under the existing terms of the lease or sublease upon notice from Franchisor that it is exercising its option to replace Franchisee as lessee;

(5) The lessor acknowledges that, in all cases, Franchisee is solely responsible for all obligations, payments, and liabilities accruing under the lease or sublease unless and until Franchisor exercises its option to become substitute lessee and actually takes possession of the premises; and

(6) An acknowledgement that Franchisor is a third-party beneficiary to the lease or sublease between the lessor and Franchisee, and as such, the lease or sublease for the premises may not be amended or cancelled so as to affect any of the above provisions, or the intent of the same, without the prior written approval of Franchisor, which approval shall not be unreasonably withheld.

Franchisee shall provide Franchisor a copy of the lease or sublease for the premises in which the Franchised Business will be operated prior to its execution so that Franchisor can satisfy itself that the foregoing provisions have been included in such lease or sublease. Franchisor shall have no other responsibility to review said lease or sublease or to make any recommendations regarding the terms thereof. Franchisee shall also provide Franchisor within five (5) days of execution or amendment, a copy of the lease or sublease and any amendments thereto.

(c) **Design.** Franchisor shall provide to Franchisee a sample layout for a typical Mulberrys Garment Care Cleaning Facility or Retail Store (as applicable). Franchisee shall, at its own

expense, employ architects, engineers, or others as may be necessary to complete, adapt, and modify the sample plans and specifications for the Franchised Business to fit the location. Franchisee shall submit to Franchisor a complete set of final plans and specifications prior to commencing construction of the Franchised Business. Franchisor shall review such plans and specifications and approve or provide comments to Franchisee on the plans and specifications. Franchisee shall not commence construction of the Franchised Business until Franchisor approves in writing the final plans and specifications to be used in constructing the Franchised Business. Franchisor may consult with Franchisee, to the extent that Franchisor deems necessary, on the construction and equipping of the Franchised Business, but it shall be and remain the sole responsibility of Franchisee to diligently design, construct, equip, and otherwise ready and open the Franchised Business on a timely basis.

(d) **Construction Obligations of Franchisee; Opening.** Franchisee shall use a licensed general contractor satisfactory to Franchisor to perform construction work at the Franchised Business. Franchisor shall not be responsible for delays in the construction, equipping, or decoration of the Franchised Business or for any loss resulting from the design or construction since Franchisor has no control over the landlord or contractor or the numerous construction and/or related problems which could occur and delay the opening of the Franchised Business. Franchisor must approve in writing any and all changes in any plans prior to construction of the Franchised Business or the implementation of such changes. Franchisor shall have access to the location of the Franchised Business while work is in progress and may require such reasonable alterations or modifications of the construction of the Franchised Business as Franchisor deems necessary. Franchisee shall not open the Franchised Business if the Franchised Business does not conform to the plans and specifications approved by Franchisor, including changes thereof approved by Franchisor. Franchisee shall correct any unauthorized variance from the approved plans and specifications promptly, and open the Franchised Business within one hundred fifty (150) days after the date of this Agreement, but no later than any applicable opening date set forth in a Development Rights Agreement between Franchisor and Franchisee or its Affiliate.

(e) **Leasehold Improvements and Furniture, Fixtures, and Equipment.** Franchisor may provide to Franchisee specifications for leasehold improvements and furniture, fixtures, and equipment for the Franchised Business. All leasehold improvements used in the Franchised Business shall be constructed according to the exact specifications of Franchisor in effect at the time the improvements are made. All furniture, fixtures, and equipment installed in the Franchised Business must also meet the exact specifications of Franchisor, including brand and model number, where designated.

(f) **Exterior and Interior Signs.** All signs used in the Franchised Business must conform to Franchisor's sign criteria as to type, color, size, design, and location. All signs must be approved in writing by Franchisor prior to installation.

(g) **Alterations.** During the Term of the Franchise, the floor plan, interior and exterior design, and furniture, fixtures, and equipment of the Franchised Business shall not be altered or modified, without the prior written approval of Franchisor.

(h) **Modernization.** Franchisee shall be required to periodically make reasonable capital expenditures to remodel, modernize, and re-decorate the Franchised Business so that the premises reflect the current image intended to be portrayed by Mulberrys Garment Care businesses. All remodeling, modernization, and redecoration of the Franchised Business must be done in accordance with the standards and specifications prescribed by Franchisor from time to time and with the prior written approval of Franchisor. All replacements must conform to Franchisor's then-current quality standards and specifications and must be approved by Franchisor in writing. Franchisor may inspect, but shall not be obligated to inspect, such work at any time to determine that the work is done in accordance with Franchisor's approved plans and specifications. In addition to the remodel that may be required at the time of renewal, Franchisor

may require Franchisee to remodel, modernize, and re-decorate the Franchised Business at any time during the Term of the Franchise.

(i) **Franchise Advertising.** Franchisor may require Franchisee to display signage in the Franchised Business advertising Franchisor's franchises for sale. Franchisor shall pay for any such signage. Franchisee shall, at all times, place and maintain such signage at the location inside its Franchised Business as Franchisor may designate from time to time.

(j) **Relocation.** During the Term of the Franchise, Franchisee shall not change the site of the Franchised Business without Franchisor's prior written consent, which consent shall not be unreasonably withheld; provided, however, if Franchisor approves a change in the location of the Franchised Business, Franchisor may also change the Designated Territory to conform to its then-current standards for the grant of similar territories. If Franchisee desires to operate the Franchised Business from a location other than that indicated in the Rider, and Franchisor approves the new location, Franchisee authorizes Franchisor to amend the Rider to change the location to the address of the new site approved by Franchisor and Franchisee shall pay to Franchisor a relocation fee of Seven Thousand Five Hundred Dollars (\$7,500).

#### 4 DESIGNATED TERRITORY

(a) **Designated Territory.** During the Term of the Franchise, and provided that Franchisee is not in default under this Agreement or any other agreement between Franchisee and Franchisor or its affiliate, Franchisor will not grant to anyone else a Franchise to operate, and will not itself operate, under the Names and Marks, a business that offers dry cleaning, laundry, or garment and fabric care, repair, and alteration products and services that is physically located in the Designated Territory, except as provided below. Franchisee acknowledges that the foregoing restrictions do not prevent Franchisor or its affiliates from any activity not specifically set forth in such restrictions, including:

(1) Operating, or allowing others to operate, similar or identical businesses located outside the Designated Territory, whether under the Names and Marks or other trade or service marks, even if the businesses compete with the Franchised Business;

(2) Operating, or allowing others to operate, businesses inside the Designated Territory under the Names and Marks or other trade or service marks that do not provide dry cleaning, laundry, or garment and fabric care, repair, and alteration products or services;

(3) Selling products to third parties even if such products are sold or provided to Franchisee for use in the Franchised Business, whether located in the Designated Territory or otherwise and whether under the Names and Marks or other trade or service marks;

(4) Selling goods or services, or granting others the right to sell goods or services, similar to or competitive with those sold by the Franchised Business, whether using the Names and Marks or other trade or service marks, through other distribution channels (including the Internet, retailers, catalog sales, telemarketing, or other direct marketing) both inside and outside the Designated Territory;

(5) Acquiring businesses that are similar to the Franchised Business; or

(6) The sale of Franchisor or substantially all of its assets to, or merger of Franchisor with, any third party regardless whether such third party operates, or franchises the operation of, businesses similar to the Franchised Business.

(b) **Acknowledgments.** Franchisee acknowledges: (1) that the restrictions set forth in this Section 4 do not prevent Franchisor or its affiliates from any activity not specifically set forth in such restrictions; (2) the Designated Territory will not change even if the population, income, or demographics within the Designated Territory changes; and (3) Franchisor may not be able to prevent another Mulberrys Garment Care business from soliciting customers inside Franchisee's Designated Territory and advertising and marketing activities of Franchisor or its affiliates or another Mulberrys Garment Care franchisee may occur in the Designated Territory.

(c) **Customers.** Franchisee shall not solicit customers outside the Designated Territory except with the prior written approval of Franchisor. If Franchisor grants permission to solicit customers outside the Designated Territory, such permission may be revoked at any time and Franchisee shall cease soliciting customers outside the Designated Territory within ten (10) days of such revocation. Otherwise, Franchisee shall operate the Franchised Business only in the Designated Territory, and Franchisee may not intentionally or directly target customers outside the Designated Territory, or otherwise operate the Franchised Business outside the Designated Territory, including, but not limited to, soliciting these customers via the Internet, telemarketing, or other direct marketing efforts unless Franchisor approves of those methods.

## 5 INITIAL FRANCHISE FEE; ROYALTY FEE

(a) **Initial Franchise Fee.** In consideration for the grant of the Franchise to Franchisee, Franchisee shall pay to Franchisor the "Initial Franchise Fee" set forth on the Rider. The Initial Franchise Fee shall be due and payable upon execution of this Agreement. The Initial Franchise Fee shall be deemed to have been earned by Franchisor at the time it is due, and shall not be refundable except as provided in this Section 5(a).

Franchisor may refund a portion of the Initial Franchise Fee paid by Franchisee if, after Franchisee has signed this Agreement but before Franchisee opens the Franchised Business, Franchisor terminates this Agreement if Franchisor determines that Franchisee or any other required Initial Training Program attendee fails to satisfactorily complete Franchisor's Initial Training Program under Section 8(a) but Franchisee is otherwise in compliance with this Agreement and Franchisee and its Affiliates are in compliance with any Development Rights Agreement with Franchisor, in which case Franchisor will refund up to fifty percent (50%) of the Initial Franchise Fee. Franchisee's actual refund will be reduced by all reasonable expenses Franchisor incurred in relation to granting the Franchise to Franchisee and in terminating this Agreement, including any attorneys' fees, and will be offset against any other outstanding amounts Franchisee or its Affiliates may owe Franchisor or its affiliates. Franchisee shall execute such termination documents and a general release as required by Franchisor.

(b) **Royalty Fee.** On or before Wednesday of each calendar week, Franchisee shall pay to Franchisor a weekly nonrefundable royalty fee equal to six percent (6%) of weekly Gross Sales of the Franchised Business from the prior calendar week (Monday to Sunday) (the "Royalty Fee"). The Royalty Fee shall be due and payable beginning on the Wednesday following the first full calendar week after the commencement of operation of the Franchised Business for the prior full calendar week and any prior partial calendar week, and continuing thereafter for each subsequent calendar week during the Term of the Franchise.

## 6 MARKETING AND PROMOTION

(a) **Marketing Fee.** On or before Wednesday of each calendar week, Franchisee shall pay to Franchisor a weekly nonrefundable marketing fee of five percent (5%) of the Gross Sales (the "Marketing Fee") of the Franchised Business from the prior calendar week (Monday to Sunday). The Marketing Fee shall be due and payable beginning on the Wednesday following the first full calendar week after the commencement of operation of the Franchised Business for the prior full calendar week and any prior partial calendar week, and continuing thereafter for each subsequent calendar week during the Term of the Franchise.

(b) **Use of System Brand Fund.** Franchisor will deposit Marketing Fees received from Franchisee into a system-wide brand fund (the “System Brand Fund”). Reasonable disbursements from the System Brand Fund shall be made for the payment of expenses incurred by Franchisor in connection with the general promotion of the Names and Marks, including: (1) development and production of advertising, marketing, and promotional materials; (2) the cost of formulating, developing, and implementing advertising and marketing campaigns, including Internet advertising and Internet search engine campaigns and the cost to maintain and update Franchisor’s or its affiliates’ websites, web pages, social media and social networking sites, profiles and accounts, and search engine optimization; (3) the cost of formulating, developing, and implementing promotional and public relations programs, including advertising in trade publications; (4) market research; and (5) the reasonable cost of administering the System Brand Fund, including professional fees, the cost of salaries and fringe benefits paid to Franchisor’s employees engaged in administration of the System Brand Fund and creative services, and overhead allocated to advertising activities. All interest, if any, earned by the System Brand Fund shall be used for the payment of the foregoing expenses before application of any principal to those expenses. Methods, media employed, contents of advertising, and terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of Franchisor. Franchisor reserves the right to engage the professional services of an advertising agency owned by, or affiliated with, Franchisor or any of its principals, to assist in developing and/or placing advertising, and to compensate that agency. Disbursements from the System Brand Fund shall not be made for the production or placement of advertising that is principally for the purpose of marketing franchise licenses. Franchisor reserves the right to dissolve the System Brand Fund but will not do so until all the monies in the System Brand Fund have been expended.

(c) **Grand Opening Program.** Franchisee shall advertise the grand opening of its Franchised Business via local marketing campaigns and promotional programs and Internet advertising and Internet search engine campaigns within the Designated Territory. Franchisee shall spend at least Twenty Thousand Dollars (\$20,000) on an approved grand opening plan, typically during the thirty (30) day period before and after the opening of the Franchised Business. The grand opening plan must be approved by Franchisor.

(d) **Local Marketing.** Franchisee shall advertise and promote the Franchised Business in the Designated Territory (“Local Marketing”) at its expense. Prior to using any marketing or promotional materials, advertisements, or other advertising not prepared by or at the direction of Franchisor, Franchisee shall submit such items to Franchisor for its prior approval. If Franchisor does not object to the use of such materials by Franchisee within fifteen (15) days after its receipt of such materials, they shall be deemed to have been approved. However, Franchisor may revoke approval of any previously approved materials at any time. Franchisee may conduct a grand opening to advertise the opening of the Franchised Business at Franchisee’s expense, provided Franchisor must approve any grand opening conducted by Franchisee.

(e) **Marketing Supplies and Materials.** Franchisor has no obligation to create marketing materials for use by Franchisee in conducting Local Marketing. However, Franchisor may from time to time produce and make such materials available to Franchisee to purchase at such prices as are set by Franchisor from time to time. Any alterations, other than the insertion of the name and address of the Franchised Business, and the prices charged by Franchisee, must be approved by Franchisor prior to use. Ownership and rights, whether in the nature of copyrights or otherwise, in and to any altered or modified marketing materials or reproductions of Franchisor’s marketing materials, shall vest in Franchisor and Franchisor shall be free to use and to offer others the use of any of the foregoing materials without restriction.

(f) **Web and Social Media Presence.** Franchisor shall provide Franchisee a subpage within Franchisor’s or its affiliate’s website wherein Franchisee may advertise its Franchised Business. This subpage shall be a template and Franchisor shall be responsible for providing content. Franchisor shall charge Franchisor’s current fee for hosting the subpage as well as for making modifications or edits to the subpage. Any and all content and any changes to the same

must be approved by Franchisor prior to being made and the subpage may contain only such information as Franchisor may approve from time to time. Other than this subpage, Franchisee shall not establish or maintain, or have established or maintained on its behalf, either alone or in concert with others, any other digital or electronic medium or method of communication, including a website, home page, HTML document, Internet site, web page, online directory or online business profile, review and opinion web pages or sites, or social media or social networking site, hashtag, profile, avatar, account or username relating to or making reference to Franchisor or the Franchised Business (each, a "Web and Social Media Presence"), unless otherwise approved by Franchisor. Franchisee may not use all or part of any of the Names and Marks, or any similar name, word, symbol, or variant thereof, in a domain name, email address, account name, username, profile, or URL. Franchisor reserves the right at any time, in its sole discretion, to require Franchisee to remove, delete, or modify any Web and Social Media Presence, or any information, content, or post thereon. Franchisor will retain sole ownership of any Web and Social Media Presence, as well as any domain name related thereto and all content thereon, which includes all or a portion of any of the Names and Marks, or any word, phrase, or symbol confusingly similar thereto or variant thereof, as part of the domain name, username, account name, profile, or page reference. Franchisee must provide Franchisor with all passwords and access to any such Web and Social Media Presence.

Franchisee may not offer, promote, or sell any products or services or make use of any of Franchisor's Names and Marks, the Franchised Business, or the System of Operation, via any Web and Social Media Presence without Franchisor's prior written approval. Franchisee acknowledges that Franchisor may also impose prohibitions on Franchisee posting or blogging of comments about Franchisor, the Franchised Business, or the System of Operation. The foregoing prohibition includes personal blogs, common social networks like Facebook, Instagram, TikTok, Twitter, Snapchat, and Pinterest; professional networks, business profiles, or online review or opinion sites like LinkedIn, Google Business Profile, or Yelp; live-blogging tools like Twitter and Snapchat; virtual worlds, metaverses, file, audio and video-sharing sites, and other similar social networking or media sites or tools.

(g) **Franchisor-Identified Web and Social Media Presence.** Franchisee will comply with all directives from Franchisor with respect to any Web and Social Media Presence approved by Franchisor, including those related to materials posted on any Web and Social Media Presence, links to and from any Web and Social Media Presence, the use of the Names and Marks on any Web and Social Media Presence, provision to Franchisor of passwords and any log-in credentials needed to access, remove, delete, or modify any Web and Social Media Presence, and security for any Web and Social Media Presence. In addition, any Web and Social Media Presence approved by Franchisor must be operated and maintained by Franchisee in compliance with all provisions of this Agreement, including those regarding the use of confidential and proprietary information, as well as any and all operating procedures, policies, standards, and requirements that Franchisor may specify from time to time. Franchisee must also maintain any Web and Social Media Presence approved by Franchisor in compliance with all applicable laws, rules, and regulations, including those applicable to copyright and trademark, privacy, anti-defamation, and advertising and endorsements. Franchisor reserves the right at any time, in its sole discretion, to itself, or require Franchisee to, remove, delete or modify any Web and Social Media Presence, or any information, content or post thereon. Franchisor will retain sole ownership of any Web and Social Media Presence, as well as any domain name related thereto and all content thereon, which includes all or a portion of any of the Names and Marks, or any word, phrase or symbol confusingly similar thereto or variant thereof, as part of the domain name, username, account name, hashtag, profile or page reference (a "Franchisor-Identified Web and Social Media Presence").

(h) **Security.** Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and Franchisee waives any and all claims Franchisee may have against Franchisor or its affiliates as the direct or indirect result of such disruptions, failures, or attacks. If Franchisee suspects or

knows of a security breach, Franchisee shall immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at its expense. Franchisee assumes all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories, and transactions concerning customers of the Franchised Business, unless otherwise directed by Franchisor. Franchisee shall comply with all standards, laws, rules, regulations, or any equivalent thereof relating to personal and financial information, data privacy, and data protection, including but not limited to, as applicable, the California Consumer Privacy Act, Cal. Civ. Code Section 1798.100 et seq., and must comply with any privacy policies or data protection and breach response policies Franchisor may periodically establish.

(i) **Advertising Cooperative.** At such time as Franchisor in its sole discretion may determine, Franchisee shall join an advertising cooperative made up of other Mulberrys Garment Care businesses (the "Local Cooperative"), as determined by Franchisor. In such event, Franchisee shall be required to participate in the Local Cooperative on the terms and conditions required by Franchisor. Franchisor shall have the right to modify or dissolve any Local Cooperative at any time.

(j) **Photos and Videos of the Franchised Business.** Franchisor shall have the right to take photographs and videos of the Franchised Business and associated vehicles, lockers (if applicable), signage, and premises and to use such photographs and videos in any advertising or promotional material, in any form or medium now existing or later developed. Franchisor may use the foregoing without providing notice to Franchisee or receiving Franchisee's consent, and Franchisor shall not be obligated to make attribution or to compensate Franchisee for use of the foregoing. Upon the request of Franchisor, Franchisee shall cooperate with Franchisor in taking and arranging for such photographs and videos and for obtaining the necessary consents of or assignments from individuals depicted in or involved in such photographs or videos. Franchisee irrevocably assigns to Franchisor all of its right, title, and interest, if any, in and to all such photographs and videos, together with all related intellectual property rights.

## **7 METHOD OF PAYMENT; LATE PAYMENT CHARGES**

(a) **Electronic Funds Transfer.** Franchisee shall remit Royalty Fees, Marketing Fees, and other amounts due to Franchisor or its affiliates via electronic-funds transfer or other similar means. Franchisee shall comply with all procedures specified by Franchisor in this Section 7 and in the Confidential Manual(s) with respect to such transfers, and deliver and execute such documents as may be necessary to facilitate or accomplish payment by the method described in this Section 7.

(1) On or before the Tuesday of each week (Monday to Sunday) throughout the Term of the Franchise, beginning in the week following the first full week after the commencement of operation of the Franchised Business, Franchisee shall report to Franchisor the true and correct Gross Sales of the Franchised Business during the preceding week (but in the first week, the report shall include all Gross Sales received by Franchisee from the date of this Agreement through the end of the preceding week, all of which shall be deemed received in the preceding week). Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of Royalty Fees, Marketing Fees, and any other amounts payable to Franchisor or its affiliates under this Agreement. Franchisee shall make the funds available to Franchisor for withdrawal by electronic transfer no later than 10:00 a.m. eastern time on Wednesday of each week, or if that day is not a banking business day, then by 10:00 a.m. eastern time on the next banking business day. If Franchisee fails to timely report Gross Sales for any period, Franchisor may debit Franchisee's account for the greater of: (a) one hundred ten percent (110%) of the Royalty Fees and Marketing Fees paid by Franchisee for the last period for which a Gross Sales report was provided; (b) the amount due for Royalty Fees and Marketing

Fees based upon information Franchisor has regarding the Franchised Business; or (c) one hundred ten percent (110%) of the Royalty Fees and Marketing Fees paid by Franchisee for the same period in the prior year.

(2) If, at any time, Franchisor determines that Franchisee has under-paid Royalty Fees, Marketing Fees, or other amounts payable to Franchisor or its affiliates, Franchisor shall be authorized to initiate immediately a debit to Franchisee's account in the appropriate amount in accordance with the foregoing procedure, plus late payment charges as provided for in this Agreement. Any overpayment shall be credited to Franchisee's account through a credit effective as of the first reporting date after Franchisee and Franchisor determine that such credit is due. If the amount debited is less than the actual amount owed, Franchisee shall pay the remaining amount owing, plus a late payment charge thereon as set forth in this Agreement. If Franchisor is unable for any reason to debit the full amount permitted under this Agreement, Franchisee shall remit the remaining amount owing within five (5) days from notice by Franchisor, plus a late payment charge thereon as set forth in this Agreement.

(b) **Minimum Account Balance.** Franchisee shall at all times maintain a minimum balance in the designated checking or savings account for payments of Royalty Fees, Marketing Fees, and any other amounts payable by Franchisee to Franchisor or its affiliates in an amount specified by Franchisor.

(c) **Late Payment Charges.** All fees or payments of any type whatsoever owed by Franchisee to Franchisor or its affiliates that are not received when due will be subject to the imposition of late payment charges equal to the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month.

(d) **Setoff.** Franchisee shall not withhold or escrow any amounts due to Franchisor under this Agreement, or set off any such amounts against any amounts claimed to be due to Franchisee. Despite any designation Franchisee make, Franchisor may apply any of Franchisee's payments to any of Franchisee's past due indebtedness to Franchisor. Franchisor may set off any amounts Franchisee or its Affiliates owe Franchisor or its affiliates against any amounts Franchisor or its affiliates owes Franchisee or its Affiliates under this Agreement or any other agreement between the respective parties.

(e) **Taxes.** If any sales, excise, use, or privilege tax is imposed or levied by any government or governmental agency on account of any amounts payable under this Agreement, Franchisee shall pay to Franchisor as an additional fee, a sum equal to the amount of such tax (but this provision shall not apply to any federal or state income taxes imposed upon Franchisor).

(f) **Timing of Payment.** Unless specifically set forth herein to the contrary, all amounts owed to Franchisor or its affiliate shall be due and payable to Franchisor within ten (10) days following Franchisee's receipt of an invoice therefor. Royalty Fees Marketing Fees, and any other periodic fees shall be due and payable as set forth in this Agreement.

(g) **Fees.** Franchisor may at any time in its sole discretion, upon notice to Franchisee, modify any prices or other amounts charged by Franchisor or an affiliate for products or services, other than the Royalty Fee and Marketing Fees.

## 8 ASSISTANCE; TRAINING; ONGOING SUPPORT

(a) **Initial Training Program.** Unless otherwise provided on the Rider, Franchisor shall provide, at a suitable location of its choice, an initial training program for the principal owner of Franchisee and for the Manager of the Franchised Business (the "Initial Training Program"); provided, however, if Franchisee also acts as the Manager of the Franchised Business as an

owner/operator then the Initial Training Program will be provided only to Franchisee. The Initial Training Program will be provided without charge for the first five (5) attendees attending together, and any additional attendees will be subject to Franchisor's current charges for attendees at the Initial Training Program. Travel and living expenses incurred by individuals attending training on Franchisee's behalf in connection with the Initial Training Program shall be the responsibility of Franchisee. Franchisee and its Manager, if any, shall attend and satisfactorily complete the Initial Training Program within sixty (60) days after signing this Agreement, but in any event prior to commencing operation of the Franchised Business. If Franchisee or its Manager fails to satisfactorily complete the Initial Training Program, Franchisor may terminate the Franchise Agreement.

Following commencement of operation of the Franchised Business, any new Manager(s) must attend the Initial Training Program within forty five (45) days after beginning to manage the Franchised Business. Franchisor will charge its current charge for such additional training, and Franchisee must pay the charge for such training prior to the beginning of such training.

(b) **Operational Support.** Franchisor will be available during normal business hours, and without charge to Franchisee, to provide Franchisee with reasonable email support and pre-scheduled telephone support on operating issues concerning the Franchised Business.

(c) **Additional Optional Training.** Upon request of Franchisee, at reasonable times determined by the parties, Franchisor will provide additional training to Franchisee on topics requested by Franchisee and agreed to by Franchisor. Such training shall be held at a location determined by Franchisor or may be provided electronically. Franchisor shall charge such fees as it shall establish from time to time for such training and such fees must be paid prior to the time such training begins.

(d) **Additional Required Training.** From time to time Franchisor may require Franchisee to undergo certain training on various topics, including operations to be implemented at the Franchised Business or new procedures. Such training shall be held at a location determined by Franchisor or may be provided electronically. Franchisor shall charge its then-current training fee, plus all of Franchisor's actual costs for the trainers including travel, lodging, and meal expenses.

(e) **On-Site Training.** Upon the request of Franchisee, at reasonable times determined by the parties, Franchisor will provide additional training at the Franchised Business to Franchisee on topics requested by Franchisee and agreed to by Franchisor. If Franchisee fails to provide services that meet Franchisor's standards, specifications, or procedures, Franchisor shall have the right to assign such person or persons that it deems necessary to provide additional training to Franchisee or its employees at the Franchised Business to assure that such standards of quality and service are maintained. Franchisor shall charge such fees as it shall establish for such on-site training and such fees must be paid prior to the time such on-site training begins plus Franchisee shall reimburse all of Franchisor's actual costs for the trainers including travel, lodging, and meal expenses.

(f) **Confidential Manual(s).** Franchisor shall loan to Franchisee one or more manuals for use in the Franchised Business, which manuals may consist of brand standards, operations, and front desk manuals or otherwise (the "Confidential Manual(s)"). The Confidential Manual(s) are not to be copied in whole or in part, shall remain the property of Franchisor, and shall always be kept in safekeeping. Franchisor, from time to time, may add to or modify some or all of the Confidential Manual(s) to supplement or to improve the System of Operation and the contents and methods of promotion franchised hereunder and Franchisee shall at all times maintain the updated Confidential Manual(s).

(g) **Conventions.** Franchisor may conduct an annual or bi-annual convention for all franchisees operating under the Names and Marks. If Franchisor chooses to hold such a

convention, Franchisee must attend such convention or send a representative approved by Franchisor. Regardless whether Franchisee attends the convention, it shall pay to Franchisor one (1) convention registration fee at least ninety (90) days prior to the start of the convention.

(h) **Forms.** Franchisor may provide to Franchisee various forms Franchisee may use in the operation of the Franchised Business, including a payment/order form, waivers, and templates. Franchisor makes no representation or warranty as to the enforceability of any contracts or other forms provided to Franchisee for use in its Franchised Business, or whether any such forms meet the legal requirements of the jurisdiction in which Franchisee does business. Franchisee acknowledges that it is Franchisee's responsibility to modify such forms to meet all laws and regulations applicable to the Franchised Business and to use no contract that does not comply with applicable law. Franchisor may from time to time update the forms provided to Franchisee. Upon provision of an updated form to Franchisee, Franchisee must immediately discontinue use of any prior version and only use the new version of the form on a going forward basis.

(i) **Level of Performance; Delegation.** Franchisor is not obligated to perform any services to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge, and judgment. In addition, Franchisor shall have the right to subcontract or delegate any of its duties and responsibilities under this Agreement; provided, however, Franchisor shall be responsible for the performance of such duties, notwithstanding such subcontract or delegation, to the same extent as if Franchisor had not subcontracted or delegated such duties, unless such subcontract or delegation is in connection with an assignment pursuant to Section 16.

(j) **Notice of Deficiencies.** If Franchisee believes Franchisor has failed to adequately provide any services required to be provided to Franchisee or its employees in regard to the training, support, or any other matter affecting the establishment of the Franchised Business, Franchisee shall so notify Franchisor in writing within thirty (30) days following opening of the Franchised Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be performed by Franchisor were sufficient and satisfactory in Franchisee's judgment.

## 9 OPERATION OF THE FRANCHISED BUSINESS

(a) **Commencement of Operation.** Franchisee may not commence operation of the Franchised Business until Franchisee has satisfied all conditions set forth in this Agreement required to be satisfied by Franchisee prior to opening the Franchised Business, including meeting Franchisor's current standards and specifications, successful completion of the Initial Training Program, furnish to Franchisor copies of all required insurance policies and leases or subleases required by Franchisor, and Franchisor has provided Franchisee with written certification of the completion of all such conditions.

(b) **Management of the Franchised Business; Owners.** Franchisee shall employ a Manager who is responsible for the general day-to-day operation of the Franchised Business (the "Manager"). Franchisee (or the majority owner of Franchisee if Franchisee is not an individual) may be the Manager. Notwithstanding the foregoing, Franchisee shall at all times be held responsible for the day-to-day operation and management of the Franchised Business. Franchisee shall complete the Statement of Ownership and Management attached hereto, and, if Franchisee is a corporation, partnership, or limited liability company, each current or future owner of Franchisee must sign a Guaranty in the form attached hereto.

(c) **Personnel.** Franchisee shall hire all personnel of the Franchised Business, and be exclusively responsible for the terms of their relationships with Franchisee, including compensation. Furthermore, Franchisee shall require each Manager, as a condition to their employment, to enter into a noncompetition and confidentiality agreement, enforceable by Franchisor, restricting the disclosure of confidential information and competition with Franchisee

and Franchisor to the same extent as Franchisee is restricted under this Agreement. If there is a violation of that agreement, Franchisee shall take all action necessary to enforce that agreement. If Franchisee fails to enforce that agreement, it shall be liable to Franchisor for any damages, costs, and losses suffered by Franchisor, including any attorneys' fees Franchisor may incur if it elects to attempt to enforce that agreement on Franchisee's behalf. In such event, Franchisee shall execute all documents reasonably requested by Franchisor in connection with such enforcement attempt. Franchisee shall provide Franchisor an executed copy of each such agreement immediately upon execution by Franchisee and a Manager. Franchisee shall also obtain from each of its personnel an acknowledgment signed by such personnel providing that such individual understands, acknowledges, and agrees that he or she is an employee of Franchisee and not Franchisor and that such individual shall look solely to Franchisee for his or her compensation and for all other matters related to their relationship with Franchisee.

(d) **Training.** Franchisee shall provide to each of its staff members a training program meeting Franchisor's requirements. Franchisee shall also provide such other periodic training to such individuals as is required by Franchisor. Franchisee shall provide to Franchisor, upon Franchisor's request, a certification that all of such individuals have successfully completed the training programs.

(e) **Maintenance of High Quality Service.** Franchisee shall utilize its best efforts, skill, and diligence to ensure that Franchisee and Franchisee's employees and agents establish and maintain high quality service to all doing business with the Franchised Business. At all times, Franchisee shall conduct its business in a manner that will preserve and enhance the goodwill associated with the Names and Marks. Franchisee shall at all times offer such services through the Franchised Business as are required by Franchisor, all of which must meet Franchisor's standards and specifications. Franchisee may not, however, use the Franchised Business to operate any business, or offer any services, that have not been approved by Franchisor.

(f) **Processing at Cleaning Facility.** No dry cleaning or laundry services may be performed on-site at the Retail Store. Prior to opening the Franchised Business, Franchisee shall contract with the nearest Cleaning Facility operated by Franchisee or its Affiliate, or if neither Franchisee nor any Affiliate operates a Cleaning Facility, the nearest Cleaning Facility of another Mulberrys Garment Care franchisee or a Cleaning Facility of Franchisor or its affiliate, to perform all dry cleaning and laundry services on behalf of the Franchised Business. Franchisor reserves the right to approve the Cleaning Facility used by Franchisee and the terms and conditions of service between the Cleaning Facility and the Franchised Business. Notwithstanding that the Cleaning Facility will provide all dry cleaning and laundry services on behalf of the Franchised Business, Franchisee is solely responsible for ensuring that all garments and other items are cleaned and processed in accordance with our System of Operation. Franchisee may not operate the Franchised Business from anywhere but the approved location, and may not offer or provide pick-up and drop-off lockers or kiosks (other than on-site at the Retail Store location), delivery services, or similar services from the Retail Store unless approved by Franchisor.

If the Cleaning Facility that serves the Franchised Business ceases operation for any reason, the franchise agreement with Franchisor for such Cleaning Facility is terminated for any reason, or such Cleaning Facility otherwise ceases to provide dry cleaning and laundry services to the Franchised Business, Franchisee shall find and secure a replacement Cleaning Facility that is equipped to handle servicing the Franchised Business as provided in this Section 9(f) within five (5) days of such closure of such Cleaning Facility, termination of the franchise agreement, or such Cleaning Facility ceasing to provide services to the Franchised Business, whichever is earlier. If Franchisee is unable to find and secure such replacement Cleaning Facility within such five (5) day period, Franchisor may terminate this Agreement effective immediately upon receipt by Franchisee of notice of termination.

(g) **Membership Plans.** Franchisee shall abide by Franchisor's membership plans as may be modified from time to time. If Franchisor sets up a membership plan for customers to obtain

products or services from any Mulberrys Garment Care business, Franchisor may require Franchisee to honor these membership plans at its Franchised Business, which would require Franchisee to give members who may have purchased a membership plan from Franchisor or its affiliate or another Mulberrys Garment Care franchisee the full benefits of membership at Franchisee's Franchised Business including, potentially, reduced rates. This membership policy may prohibit Franchisee from selling any memberships that do not provide full reciprocity benefits to all members at all Mulberrys Garment Care businesses. Franchisee may be required to transfer members from its Franchised Business to another Mulberrys Garment Care business based on the current reciprocity policy.

(h) **National Accounts Program.** Franchisor may implement a national accounts program, which would allow Franchisor to sell directly or indirectly to any National, Regional, and Institutional Account the products and services offered by Mulberrys Garment Care businesses (the "National Accounts Program"). Franchisee shall abide by the terms and conditions of such National Account Program. If Franchisor creates a National Accounts Program, Franchisor may receive orders for any National, Regional, and Institutional Account to be performed in the Designated Territory. If this happens, Franchisor may offer the order to Franchisee at the price established by the National Accounts Program so long as Franchisee is not in default of this Agreement. If Franchisee chooses not to fulfill the order or is unable to do so, then Franchisee will be deemed to be in default of this Agreement and an affiliate of Franchisor or a third party Franchisor designates (including another Mulberrys Garment Care franchisee) may fulfill the order, and Franchisee will be entitled to no compensation in connection with the order.

(i) **Compliance with Specifications and Procedures.** Franchisee acknowledges that the Confidential Manual(s) are designed to protect Franchisor's standards and System of Operation, and the Names and Marks, and not to control the day-to-day operation of the business. Franchisee shall comply with all rules, regulations, and directives specified by Franchisor as well as all mandatory standards, specifications, and procedures contained in the Confidential Manual(s), as amended from time to time, and shall adopt and adhere to the policies of Franchisor. Franchisor specifically reserves the right to modify or change such rules, regulations, and directives.

(j) **Customer Calls.** Franchisee shall maintain its own local telephone number for the Franchised Business and shall at all times assure the telephone is answered during all hours of operation of the Franchised Business and that customer inquiries are promptly addressed.

(k) **Internet Usage.** Franchisee must subscribe, at Franchisee's expense, to an Internet service provider or other electronic communication provider or service and obtain and use, at Franchisee's expense, and in the manner and form and meeting such minimum standards as Franchisor may approve or require, computer equipment, operating software, communication services, and other electronic and computer systems, and the like, for communicating, reporting, and other operations of the Franchised Business. Franchisor shall have independent access to all of Franchisee's computer systems. Franchisor may require that any and all communications between Franchisee and Franchisor be made through the Internet or such other electronic medium as Franchisor may designate, and Franchisee may be required to access the Internet or other electronic information on a regular basis to obtain full benefit of the System of Operation. Franchisee shall maintain a working email address to communicate with Franchisor. Franchisor is not liable for any damage to Franchisee including lost profits, which occur as a result of any outage or delay related to electronic transmission of information, whether by the Internet or otherwise, or as a result of Franchisee's failure to access the information. Franchisor may, in its sole discretion, make use of any information furnished by it to Franchisee in the conduct of its business.

(l) **Upgrades.** Notwithstanding anything set forth in this Agreement to the contrary, Franchisor may require Franchisee to upgrade any technology used by Franchisee in the Franchised Business at any time and without regard to any expenditure limitations. Additionally,

there shall be no limit on Franchisor's right to require Franchisee to replace its computer system or point of sale, to replace or upgrade hardware or software used by Franchisee in the Franchised Business, or to require Franchisee to purchase additional hardware or software that Franchisor may select for use in the Franchised Business.

(m) **Provision of Information.** Franchisee acknowledges and agrees that any and all information provided to Franchisee by Franchisor under this Agreement may be provided in such manner and by such media as Franchisor may determine, including, without limitation, by electronic and/or computer means. Franchisee also specifically agrees Franchisor may communicate with Franchisee by fax, email, or other electronic communications.

(n) **Franchisee Control of the Franchised Business.** Franchisee acknowledges that it is responsible for the day-to-day operation of its Franchised Business, including hiring; setting the conditions of employment; supervising, discipline, and termination of all personnel; purchases (or leases) and maintenance of equipment and supplies; preparing Franchisee's own marketing plans and funding and implementing those marketing plans; maintenance of employment records; and daily maintenance, safety, security, and the achievement of compliance with the System of Operation. Franchisor's ability to approve certain matters, to inspect the Franchised Business and its operations, and to enforce its rights, exists only to the extent necessary to protect its interest in the System of Operation and the Names and Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee. Franchisee's employees are not Franchisor's agents or employees and Franchisor is not a joint employer of these individuals. Franchisee is solely responsible for performing all administrative functions at the Franchised Business, including payroll and providing workers' compensation insurance. Franchisee acknowledges that it is not economically dependent on Franchisor, and that Franchisor does not provide facilities, equipment, or house or transport Franchisee's employees or provide to Franchisee's employees tools or materials required for Franchisee's employees to perform services for Franchisee.

(o) **Taxes.** Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement. Franchisee further shall secure and pay premiums on a workers' compensation policy covering all of its employees and, if applicable, shall pay all state unemployment taxes, state sales taxes, and all other taxes and expenses of operating the Franchised Business. In the event of any bona fide dispute as to the liability for any taxes assessed against Franchisee, Franchisee may contest the validity or amount of the tax in accordance with procedures of the taxing authority. In no event, however, shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant to occur against the Franchised Business, or any part thereof.

(p) **Programs.** Franchisee must participate in, comply with all terms and conditions of, and pay all charges related to, all programs Franchisor may require Franchisee to participate in from time to time. The terms and conditions of any such programs, as well as the programs themselves, may be modified or terminated at any time by Franchisor in its sole and absolute discretion.

(q) **Compliance with Laws.** Franchisee shall comply with all laws, rules, and regulations applicable to its Franchised Business, including all hazardous waste removal, zoning, and safety laws, and obtain all licenses and permits required to operate the Franchised Business.

## 10 **NAMES AND MARKS**

(a) **Display of Names and Marks.** Franchisee shall operate under, and prominently display, the Names and Marks in the operation of the Franchised Business in the manner specified by Franchisor, and pursuant to the standards made available to Franchisee by Franchisor. Franchisee shall use no commercial trade names, service marks, or other commercial symbols,

including associated logos, that do not satisfy the criteria established by Franchisor. If Franchisee is a corporation, partnership, or limited liability company, Franchisee may not use all or part of the Names and Marks as part of the name of the corporation, partnership, or limited liability company, and Franchisee must obtain Franchisor's prior written approval of the name of the corporation, partnership, or limited liability company prior to incorporation, formation, or organization, as applicable. Franchisee may not use all or part of any of the Names and Marks, or any similar name, word, symbol, or variant thereof, in a domain name, account name, profile, or URL, except as specifically approved by Franchisor.

(1) If Franchisor deems it advisable, Franchisee shall file for and maintain a "Certificate of Trade Name" in the county, or other appropriate jurisdiction, in which the Franchised Business is located.

(2) Franchisee shall not use any of the Names and Marks in combination with other words, letters, prefixes, suffixes, logos, or designs, other than in the manner authorized by Franchisor.

(b) **Change of Names and Marks.** From time to time, Franchisor may elect to discontinue the use of certain Names and Marks and to commence use of new Names and Marks. Franchisee shall pay all expenses incurred in connection with discontinuing the use of existing Names and Marks in the Franchised Business and commencing the use of new Names and Marks therein.

(c) **Ownership of Marks and Goodwill.** Franchisee acknowledges that Franchisor owns the Names and Marks. Franchisee's right to use the Names and Marks is derived solely from this Agreement and all such usage and any goodwill established thereby shall inure to the exclusive benefit of Franchisor. Franchisee waives any right to challenge Franchisor's entitlement or ownership of the Names and Marks.

(d) **Cessation of Use.** Franchisee agrees that, upon the expiration or termination of the Term of the Franchise for any reason whatsoever, Franchisee shall forthwith discontinue the use of the Names and Marks, and thereafter shall no longer use, or have the right to use, the Names and Marks.

(e) **Notification of Infringement.** Franchisee shall immediately notify Franchisor of any infringement of or challenge to Franchisee's use of present and future Names and Marks and shall not communicate with any other person in connection with any such infringement, challenge, or claim. Franchisor shall have sole discretion to take such action as it deems appropriate, including the exclusive control of any litigation or any trademark office or other administrative proceeding arising out of any such infringement, challenge, or claim relating to any of the Names and Marks.

## 11 EQUIPMENT, VEHICLES, SUPPLIES, AND SERVICES

(a) **Equipment Maintenance.** Franchisee shall maintain all equipment, vehicles, and related accessories used in the Franchised Business in excellent working condition. As such items become obsolete, unsafe, or mechanically impaired to the extent they require replacement, Franchisee shall at its sole cost and expense replace such items with either the same or substantially similar types and kinds of equipment, vehicles, and other accessories as are being installed or used in other, similar businesses franchised by Franchisor, or opened by Franchisor or its affiliates, at the time replacement becomes necessary. All such equipment and vehicles used in the Franchised Business shall meet the specifications of Franchisor and shall be approved by Franchisor prior to installation or use thereof.

(b) **Equipment, Supplies, and Approved Suppliers.** Unless Franchisor otherwise approves, the furniture, fixtures, and equipment and related accessories, vehicles, supplies (including cleaning supplies, detergents, solvents, formulas, tools, devices, garment care products and laundry products, branded items, uniforms, branded garment bags and hangers, branded collar stays, poly bags, and printed materials), design and décor, branded items and signage, computer hardware and software, technology and security systems, payment processing services, products Franchisee purchases for use or sale at the Franchised Business, insurance, and advertising and marketing materials, must meet Franchisor's specifications and quantity requirements as they may be provided to Franchisee from time to time. From time to time, Franchisor shall provide Franchisee a list of approved suppliers of furniture, fixtures, equipment, supplies, software, hardware, insurance, and other items or services necessary to operate the Franchised Business. The approved source of supply for any individual item may be Franchisor, an affiliate of Franchisor, or an independent third party. Franchisor, an affiliate, or an unrelated third party may be the sole source of supply for an item.

(1) Unless otherwise specified by Franchisor, Franchisee shall not be restricted from using sources of supply other than those previously approved by Franchisor, if the other sources supply items or services of substantially the same quality and specifications as those supplied by the approved suppliers.

(2) Franchisor reserves the right to require Franchisee to obtain the written approval of Franchisor prior to the use of any supplier not previously approved by Franchisor and, as a precondition to the granting of such approval, may require the proposed supplier to submit to Franchisor samples of products it proposes to provide to Franchisee for use in the Franchised Business and any other information Franchisor requires. In such event, Franchisor shall have thirty (30) days from its receipt of all such information to approve such supplier. Any supplier not approved in such time period shall be deemed disapproved.

(c) **Services; Pricing.** Franchisee shall not offer or sell any products or services that have not been approved by Franchisor. Franchisee shall set its own pricing and rates for the products and services it offers in the Franchised Business; provided, however, Franchisee shall adhere to any minimum and maximum prices prescribed by Franchisor for services or products offered by Franchisee. Franchisor may provide suggested resale prices to Franchisee for products and services offered in the Franchised Business.

(d) **Liability.** Franchisor shall not be liable to Franchisee for damages caused by the failure of Franchisor or an approved supplier to make available for purchase any item or service, unless the failure is the result of factors within Franchisor's reasonable control.

## 12 INFORMATION, REPORTS, INSPECTIONS, AND AUDITS

(a) **Books and Records; Financial Reports.** Franchisee shall maintain its books and records in the manner reasonably required by Franchisor (which may be kept electronically as required by Franchisor). Franchisee shall provide Franchisor with such financial and sales information relating to the business of Franchisee as from time to time may be reasonably required by Franchisor, as well as unrestricted access to any electronic financial and sales information to the business of Franchisee. Franchisee shall provide to Franchisor such monthly and/or annual financial reports as Franchisor may specify. The financial and sales information shall be delivered to Franchisor, at the time, in the form and by the means of communication authorized by Franchisor. Franchisor may use such financial information in any manner and for any purpose it, in its sole and absolute judgment, deems appropriate. Franchisee, and if Franchisee is a limited liability company, corporation, or partnership, the owners of Franchisee, shall also submit to Franchisor, upon request, copies of their annual federal, state, and city, if any, income and sales tax returns, if any.

(b) **Audit Rights.** Franchisor shall have the right to audit or cause to be audited the sales reports and financial statements delivered to Franchisor, and the books, records, and sales and income tax returns of Franchisee, and if Franchisee is a limited liability company, corporation, or partnership, the owners of Franchisee, excluding any employment records. If any audit discloses that Franchisee has failed to pay to Franchisor any Royalty Fees or Marketing Fees owed Franchisor based upon an understatement of Gross Sales, Franchisee, within ten (10) days of receipt of the audit report, shall pay to Franchisor the Royalty Fees, Marketing Fees, and other amounts due Franchisor, plus late payment charges from the due date at the maximum rate permitted by law, not to exceed one and one-half percent (1.5%) per month. In addition, if an understatement for any week equals five percent (5%) or more, or for any month equals two percent (2%) or more, of the Gross Sales of the Franchised Business in such period, Franchisee shall reimburse Franchisor for the cost of the audit, including the charges of any independent accountant and the travel expenses, lodging, and compensation of persons employed by Franchisor to make the audit.

(c) **Inspection Rights.** Franchisee shall permit Franchisor and its representatives, whenever Franchisor reasonably may deem necessary, during normal business hours, to enter, remain on, and inspect the Franchised Business. Franchisor and its representatives may also, without notice to Franchisee, interview customers of the Franchised Business.

(d) **Ownership of Information.** All information Franchisor obtains from Franchisee or about or related to the Franchised Business (collectively, the "Information"), and all revenues Franchisor derives from such Information, shall be Franchisor's property. Franchisee may use information that it acquires from third parties in operating the Franchised Business, such as customer data, at any time during the Term of the Franchise to the extent lawful and at its sole risk and responsibility, but only in connection with operating the Franchised Business for the purposes hereunder. The Information (except for information Franchisee provides to Franchisor with respect to it and its affiliates) shall become the confidential information of Franchisor, which Franchisor may use for any reason it deems necessary or appropriate. Franchisee and Franchisor shall comply with all applicable laws pertaining to the privacy and security of personal information, including, without limitation, local, regional, and national requirements applicable to the Franchised Business.

## 13 INSURANCE

(a) **Type of Coverage.** At all times during the Term of the Franchise, Franchisee shall maintain in force, at its sole expense, commercial general liability insurance against claims for bodily and personal injury, death, and property damage caused by, or incurred in conjunction with, the operation of, or conduct of business by, Franchisee; general casualty insurance (including the perils of fire, broad form extended coverage, vandalism, and malicious mischief) on the premises of the Franchised Business and its equipment; business motor vehicle liability insurance if Franchisee uses a vehicle in the operation of the Franchised Business; data breach insurance; workers' compensation insurance; employee dishonesty and employment practices; and such other types of insurance and all in such amounts as may be specified by Franchisor from time to time.

(1) The insurance coverage shall be maintained under one (1) or more policies of insurance containing the amounts and types of coverage from time to time prescribed by Franchisor and insured by insurance companies rated A or better by A.M. Best Company.

(2) All liability insurance policies shall name Franchisor as an additional insured and shall provide that Franchisor receive ten (10) days' prior written notice of termination, expiration, reduction, or cancellation of any such policy.

(3) Franchisee shall submit to Franchisor, annually, a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy.

(b) **Failure to Obtain; Group Plans.** If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor, or fails to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of Franchisee, and any costs of premiums incurred by Franchisor in connection therewith shall be paid by Franchisee on demand. Further, Franchisor may at any time arrange for and obtain insurance coverage on behalf of Franchisee, and any costs of premiums incurred by Franchisor in connection therewith shall be paid by Franchisee on demand.

## 14 CONFIDENTIALITY AND IMPROVEMENTS BY FRANCHISEE

(a) **Maintenance of Confidence.** Franchisee acknowledges that all of the information it has now or obtains in the future concerning the System of Operation, including the Confidential Manual(s) and the proprietary chemicals and cleaning supplies, detergents, solvents, formulas, tools, devices, garment care products and laundry products, branded items, uniforms, branded garment bags and hangers, branded collar stays, poly bags, printed materials, and the concepts and methods of promotion franchised hereunder, is derived from Franchisor pursuant to this Agreement, and that such information will be treated in confidence. Franchisee agrees never to, directly or indirectly, engage in or abet the misappropriation (as the term “misappropriation” is defined in the Florida Uniform Trade Secrets Act), or the disclosure, divulgence, or distribution of all or any part of the System of Operation and the concepts and methods of promoting Franchises hereunder.

(b) **Improvements.** If Franchisee, during the Term of the Franchise, conceives or develops any improvements or additions to the System of Operation, new trade names, trade and service marks and other commercial symbols related to the Franchised Business, or any advertising, promotion, or marketing ideas related to the Franchised Business (“Improvements”), Franchisee shall fully disclose the Improvements to Franchisor without disclosure of the Improvements to others and shall obtain Franchisor’s written approval prior to the use of such Improvements. Any such Improvement approved by Franchisor may be used by Franchisor and all other franchisees of Franchisor without any obligation to Franchisee for royalties or similar fees. Franchisee shall assign to Franchisor, and hereby does assign to Franchisor, without charge, all rights to such Improvements, together with the goodwill associated with the Improvements, including the right to grant sublicenses to any such Improvements. Franchisor, at its discretion, may make application for and own copyrights, trade names, trademarks, and service marks relating to any such Improvements. Franchisor also may consider such Improvements as the property and trade secrets of Franchisor. Franchisor shall authorize Franchisee to utilize any Improvement authorized generally for use by other franchisees.

## 15 RESTRICTIVE COVENANTS

(a) **Covenants.** Franchisee acknowledges Franchisor must be protected against the potential for unfair competition by Franchisee’s use of Franchisor’s training, assistance, and trade secrets in direct competition with Franchisor. Franchisee therefore agrees that it shall not:

(1) During the Term of the Franchise, either directly or indirectly: (a) operate, own, manage, or be employed by or consult with, any Competitive Business other than one operated under a valid franchise agreement with Franchisor, or any business or venture that is granting franchises or licenses for the operation of a Competitive Business; or (b) divert or attempt to divert any customer or potential customer to any competitor of Franchisor, or a competitor of a franchisee or of an affiliate of Franchisor.

(2) For a period of two (2) years following the expiration, termination, or assignment of this Agreement, either directly or indirectly operate, own, manage, be employed by or consult with any Competitive Business, other than one operated under a valid franchise agreement with Franchisor, or any business or venture that is granting franchises or

licenses for the operation of a Competitive Business, that is located or doing business in the Restricted Area. In the event of the violation of this Section 15(a)(2) by Franchisee following expiration, termination, or assignment of this Agreement, the period of time Franchisee shall be required to abide by the breached obligation shall be extended to a period of two (2) years after Franchisee is no longer in breach of such obligation.

(b) **Franchisee Acknowledgments.** Franchisee agrees that the restrictions contained in this Section 15 are reasonable and necessary to protect the interests of Franchisor and other franchisees of Franchisor. Franchisee further acknowledges that because of the narrow scope of the limitations, the foregoing restrictions do not unduly restrict Franchisee's ability to engage in gainful employment. If Franchisee violates these restrictions, then in addition to damages incurred by Franchisor for which Franchisee shall be liable, Franchisor shall be entitled to injunctive relief to prevent the continuation of such breach.

## 16 ASSIGNMENT

(a) **By Franchisor.** This Agreement is fully assignable by Franchisor without the consent of Franchisee, and shall inure to the benefit of any assignee or other legal successor in interest of Franchisor.

(b) **General Prohibition on Franchisee Assignment.** No Franchisee, partner (if Franchisee is a partnership), shareholder (if Franchisee is a corporation), or member (if Franchisee is a limited liability company), without the prior written consent of Franchisor, by operation of law or otherwise, shall sell, assign, transfer, convey, give away, lease, have redeemed, or encumber to any person, trust, firm, corporation, partnership, or company, its interest in this Agreement or its interest in the Franchise granted hereby or its interest in any proprietorship, partnership, corporation, or limited liability company which, directly or indirectly, owns any interest in the Franchise, or its interest in the Franchised Business, or the assets of the Franchised Business. Any purported assignment not having the necessary consent shall be null and void and shall constitute a material default hereunder.

(c) **Conditions to Franchisee Assignment.** Franchisor shall not unreasonably withhold its consent to any assignment provided the following conditions and requirements shall first be satisfied:

(1) If Franchisee desires to assign or transfer all of its rights to a partnership, corporation, or limited liability company controlled by Franchisee:

(a) the transferee shall be newly organized and its charter shall provide that its activities are confined exclusively to operating the Franchised Business;

(b) Franchisee shall be and shall remain the principal executive officer of the transferee;

(c) Franchisee shall be and shall remain in control of the transferee and shall be and shall remain the owner of not less than fifty one percent (51%) of the issued and outstanding voting stock or membership interests of the transferee corporation or limited liability company or, in the case of a partnership, of fifty one percent (51%) of the voting control of the transferee partnership;

(d) each stock or membership certificate of the transferee corporation or limited liability company, or the partnership agreement of the transferee partnership, shall have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer of any interest therein is subject to, all restrictions imposed upon assignments by this Agreement;

(e) no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent;

(f) the transferee shall enter into a written agreement with Franchisee and Franchisor, in a form satisfactory to Franchisor, assuming all of Franchisee's obligations hereunder;

(g) all the partners, shareholders, or members of the transferee shall enter into a written agreement in a form satisfactory to Franchisor jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under this Agreement; and

(h) all accrued money obligations of Franchisee to Franchisor and its subsidiaries, affiliates, and assigns shall be satisfied prior to assignment or transfer.

(2) If an assignment (other than an assignment as set forth in Section 16(c)(1)), alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring control of the Franchise created hereby or the Franchised Business:

(a) the transferee shall meet Franchisor's then-current standards for the issuance of a Franchise, be of good moral character and reputation, and shall have a good credit rating, financial capabilities, and competent business qualifications reasonably acceptable to Franchisor. Franchisee shall provide Franchisor with the information it may reasonably require to make a determination concerning each proposed transferee;

(b) the transferee, including all shareholders, members, and partners of the transferee, shall jointly and severally execute a new franchise agreement with Franchisor, on the terms then offered by Franchisor to new franchisees, for the remaining term of this Agreement, except that all pre-opening obligations of the parties, other than the transferee's obligation to complete the Initial Training Program to Franchisor's satisfaction, shall be waived, including the obligation of the transferee to pay a new initial franchise fee;

(c) if the transferee is a corporation, limited liability company, or partnership, each stock or membership certificate, or the partnership agreement, shall have conspicuously endorsed upon it a statement that it is held subject to, and further assignment or transfer of any interest therein is subject to, all restrictions imposed upon assignments by this Agreement;

(d) if the transferee is a corporation, partnership, or limited liability company, no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent;

(e) Franchisee shall have fully paid and satisfied all of Franchisee's obligations to Franchisor and its affiliates, and Franchisee shall pay to Franchisor a transfer fee equal to the then-current initial franchise fee required by Franchisor for the grant of new Mulberrys Garment Care franchises, or if Franchisor is not offering franchises at such time, then the Initial Franchise Fee paid by Franchisee under this Agreement;

(f) Franchisee shall have executed an agreement in form satisfactory to Franchisor in which it agrees to: (a) release any claims it has against Franchisor and its affiliates; (b) subordinate any claims it may have against the transferee to any amounts owed by the transferee to Franchisor; (c) comply with the post-term obligations set forth herein, including the non-competition and confidentiality provisions; and (d) indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of three (3) years following the transfer;

(g) if the transferee is a corporation, limited liability company, or partnership, all the shareholders, members, or partners of the transferee shall enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under the terms of this Agreement; and

(h) if the assignment or transfer is caused by the death or incapacity of Franchisee (or in the case of a partnership, corporation, or limited liability company, by the death or incapacity of one controlling more than forty-nine percent (49%) of the voting interest of Franchisee), the provisions of this Section 16(c)(2) must be met with regard to the heir or personal representative of Franchisee succeeding to Franchisee's interest hereunder; provided, however, if the heir or personal representative assigns, transfers, or sells its interest in the Franchise within one hundred twenty (120) days after the death or incapacity of Franchisee, the person to whom the interest is assigned, transferred, or sold, and not Franchisee's heir or personal representative, must comply with the provisions of this Section 16(c)(2) as transferee.

(d) **Disclosure.** Franchisee consents to Franchisor releasing to any proposed transferee any information concerning the Franchised Business which Franchisee has reported to Franchisor.

(e) **No Single or Partial Transfer.** Notwithstanding anything set forth herein to the contrary, Franchisee may not transfer a portion of its rights or obligations hereunder or a portion of the Franchised Business, if such transfer would result in the division of the Franchised Business.

## 17 RIGHT OF FIRST REFUSAL

(a) If, at any time during the Term of the Franchise, Franchisee receives a bona fide offer to purchase or lease the Franchised Business, including the Franchised Business or the property upon which the Franchised Business is located, or any owner of Franchisee receives an offer to purchase any interest in Franchisee, either directly or indirectly, which offer Franchisee or such owner is willing to accept, Franchisee shall communicate in writing to Franchisor the full terms of the offer and the name of the offeror. Franchisor may elect to purchase or lease the business, the property, or the interest, as applicable, on the terms set forth in the offer. If Franchisor elects to exercise such option, it shall give Franchisee written notice of the election within thirty (30) days after Franchisor receives Franchisee's communication of the offer. If Franchisor fails to give written notice of election within thirty (30) days, Franchisee or the owner, as the case may be, may sell or lease to the offeror on the terms offered, subject to Section 16. The sale or lease must, however, be completed within sixty (60) days of the termination of the thirty (30) day period during which Franchisor may give written notice of election to purchase or lease; otherwise, an additional notice must be given to Franchisor and an additional option period must expire prior to any such transfer. If Franchisor elects to exercise its rights hereunder, it shall have the right to substitute equivalent cash for any noncash consideration included in the bona fide offer and Franchisor and Franchisee or Franchisee's owner, as the case maybe, will use their best efforts to complete the transaction within sixty (60) days from the date of Franchisor's notice of election to exercise its rights hereunder.

## 18 PRE-TERMINATION OPTIONS OF FRANCHISOR

(a) **Rights in Addition to Termination.** Prior to the termination of this Agreement, if Franchisee fails to pay any amounts owed to Franchisor or its affiliates or fails to comply with any term of this Agreement or any other agreement between Franchisor and Franchisee or an affiliate of Franchisor and Franchisee, then in addition to any right Franchisor may have to terminate this Agreement or to bring a claim for damages, Franchisor shall have the option to:

- (1) Prohibit Franchisee from attending any conventions, meetings, or seminars held or sponsored by Franchisor or taking place on the premises of Franchisor;
- (2) Remove any listing of the Franchised Business from any advertising and Franchisor-Identified Web and Social Media Presence;
- (3) Suspend the provision or sale of any or all products or supplies provided by Franchisor to Franchisee hereunder; and
- (4) Suspend the provision of any or all of the services provided by Franchisor to Franchisee.

(b) **Continuation of Franchisor Options.** Franchisor's actions, as provided in this Section 18, may continue until Franchisee has brought its accounts current, cured any default, and complied with Franchisor's requirements, and Franchisor has acknowledged the same in writing. Franchisee acknowledges and agrees that the taking by Franchisor of any of these actions shall not deprive Franchisee of a substantial portion of the benefits provided to it under this Agreement and therefore the taking of any of the actions permitted in this Section 18 shall not suspend or release Franchisee from any obligation that would otherwise be owed to Franchisor or its affiliates under the terms of this Agreement, or otherwise, nor shall Franchisee assert that the taking of any such actions shall act as an actual or constructive termination of this Agreement.

## 19 TERMINATION

(a) **By Franchisor.** In addition to Franchisor's other termination rights in this Agreement, Franchisor may terminate this Agreement effective immediately upon receipt by Franchisee of notice of termination, if Franchisee:

- (1) Is unable to secure a replacement Cleaning Facility operated by Franchisee or its Affiliate or of another Mulberrys Garment Care franchisee or a Cleaning Facility of Franchisor or its affiliate that is equipped and agrees to handle servicing the Franchised Business within five (5) days of the current Cleaning Facility used by the Franchise Business ceasing to operate for any reason, the termination of any franchise agreement with Franchisor for such current Cleaning Facility, or the current Cleaning Facility ceasing to provide services to the Franchised Business;
- (2) Loses the right to occupy the Franchised Business's premises;
- (3) Voluntarily abandons the Franchise relationship;
- (4) Is convicted in a court of competent jurisdiction of an offense directly related to the Franchised Business;
- (5) Fails to comply with any federal, state, or local law or regulation applicable to the operation of the Franchised Business;

(6) Fails to cure a default under this Agreement which materially impairs the goodwill associated with the Names and Marks after Franchisee has received written notice to cure at least twenty four (24) hours in advance of the notice of termination;

(7) Submits to Franchisor two (2) or more sales reports, financial statements, other information or supporting records in any period of twelve (12) consecutive months, which understates by five percent (5%) or more the Gross Sales of the Franchised Business, or otherwise materially distorts any other material information;

(8) Consistently fails to submit when due sales reports or financial statements to Franchisor;

(9) Fails to pay when due Royalty Fees, Marketing Fees, or other payments due to Franchisor and such failure continues for ten (10) days after notice to Franchisee;

(10) Consistently fails to remit when due payments to suppliers or other creditors of the Franchised Business, and such failure continues for ten (10) days after notice to Franchisee;

(11) Makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due;

(12) Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any law, admits or fails to contest the material allegations of any such pleading filed against it, or is adjudicated bankrupt or insolvent;

(13) Makes an unauthorized assignment or transfer of this Agreement, the Franchised Business, or the Franchise;

(14) Has made material misrepresentations on its application for the Franchise;

(15) Commits a default under this Agreement or any other agreement with Franchisor or any of its affiliates on three (3) or more separate occasions in any twelve (12) month period, whether or not the defaults are cured and whether or not the defaults are the same or differ from other defaults;

(16) Is in breach of any other agreement with Franchisor or any of its affiliates, or any Affiliate of Franchisee is in breach of any other agreement with Franchisor or any of its affiliates, and such failure continues for thirty (30) days after notice to Franchisee; or

(17) Otherwise materially breaches this Agreement or fails to comply with any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor and does not correct such failure within thirty (30) days after notice to Franchisee.

(b) **By Franchisee.** Franchisee may terminate this Agreement and the Franchise granted hereunder effective ten (10) days after delivery to Franchisor of notice of termination, if Franchisee is in compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure the breach within thirty (30) days after written notice of the breach is delivered to Franchisor.

(c) **Compliance with Applicable Law.** The foregoing notwithstanding, to the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal, or the like other than in accordance

with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, be superseded by said law, and Franchisor shall comply with applicable law in connection with each of these matters.

(d) **Actions Upon Expiration or Termination.** Franchisee agrees, upon expiration, termination, or assignment of the Franchise:

(1) To immediately return to Franchisor all copies of all Confidential Manual(s) that have been loaned to it by Franchisor and any material marked as property of Franchisor or as confidential;

(2) To immediately pay to Franchisor such Royalty Fees, Marketing Fees, and other charges as have or will thereafter become due hereunder and are then unpaid including amounts due for printed materials, forms, advertising material, supplies, products, and services supplied by Franchisor;

(3) To immediately take such action as may be required to properly cancel all assumed name or equivalent registrations relating to the use of the Names and Marks, and notify the telephone company, any domain name registrar, any Internet service provider, and all listing agencies of the expiration or termination of Franchisee's right to use any domain names, profiles, accounts, user names, telephone numbers, and classified and other directory listings associated with any Franchisor-Identified Web and Social Media Presence, or that include any portion of the Names and Marks, and authorize the telephone company, domain name registrars, Internet service providers, and listing agencies to transfer to Franchisor all such telephone numbers, registrations, profiles, accounts, and directory listings, along with access thereto. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers, directory listings, domain names profiles, user names, and accounts associated with the Names and Marks, or any word, phrase or symbol confusingly similar to any of the Names and Marks, including any Franchisor-Identified Web and Social Media Presence, as well as any content thereon. Franchisee authorizes Franchisor, and appoints Franchisor its attorney-in-fact, to direct the telephone company, domain name registrars, internet service providers, and all listing agencies to transfer telephone numbers, domain names, accounts and listings to Franchisor, as well as provide access to Franchisor to any such account or registration;

(4) To not indicate directly or indirectly, in any manner, that it is or ever was affiliated with Franchisor in any capacity, identify itself or any business as a member of Franchisor's system, or as otherwise associated with Franchisor, or use, in any manner or for any purpose, any of the System of Operation, concepts, and methods of promotion, or Names and Marks, or any other indicia of a business operated under the Names and Marks; and

(5) To immediately cause all signs using the Names and Marks to be removed. If Franchisee fails to remove such signage, Franchisor shall be entitled to remove and destroy the signage, without prior notice to Franchisee, and Franchisee shall be obligated to reimburse Franchisor for all costs associated with such removal and destruction.

(e) **Option to Purchase.** Upon the expiration or termination of the Term of the Franchise, Franchisor shall have the first option, exercisable for thirty (30) days, to purchase from Franchisee any or all of the approved inventory, equipment, supplies, signs, and branded items owned by Franchisee and used in the operation of the Franchised Business at fair market value (excluding the value of any goodwill). If Franchisor and Franchisee cannot agree on the fair market value of any such item, such items shall be valued at cost paid by Franchisee less depreciation at the rate of three percent (3%) per month for the first year following the purchase of each such item and two percent (2%) per month thereafter.

(f) **Survival of Provisions.** All obligations of Franchisor and Franchisee that expressly or by their nature survive the termination, expiration, or assignment of the Franchise, including the post-termination rights and obligations, non-competition, confidentiality, and indemnification provisions herein, shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement until they are satisfied in full or by their nature expire.

(g) **Communication with Third Parties.** After Franchisor provides Franchisee with notice of any default hereunder, Franchisor can notify any third parties, including any lenders, lessors, and suppliers, of the default and communicate with such third parties regarding Franchisee and the Franchised Business.

## 20 ENFORCEMENT

(a) **Injunctive Relief; Attorneys' Fees.** Either party may apply for injunctive or other equitable relief to: (1) enforce its right to terminate this Agreement for the causes in Section 19; and (2) prevent or remedy a breach of this Agreement if such breach could materially impair the goodwill of such party's business, including to enforce the obligations of a party to be performed following the expiration or termination of this Agreement and enforcement of the non-competition and confidentiality provisions of this Agreement. Each party shall be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing its aforementioned rights. If Franchisor secures any such injunction, or any other relief against Franchisee, or is successful in defending a claim brought against it by Franchisee, Franchisee shall pay Franchisor an amount equal to the aggregate of Franchisor's costs of obtaining such relief and defending such claim, including reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses.

(b) **Mediation.** Except with respect to matters for which a party believes it necessary to seek injunctive or equitable relief, Franchisee and Franchisor shall be required to enter into mediation of all disputes involving this Agreement, or any other aspect of the relationship between them, for a minimum of four (4) hours, prior to the initiation of any arbitration or other action or proceeding against the other.

(1) Upon written notice by either party to the other of the initiating party's desire to mediate, the party receiving the notice shall select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not provide the name of such an organization within ten (10) business days from the date the notice of intention to mediate is received, then the other party may forego mediation of the issue(s) and commence an arbitration hearing or, at its option, make the selection of the organization to provide mediation services. If one party selects an organization that is unwilling to serve as mediator or does not meet the requirements of this Section 20(b)(1), then the other party may select the organization. Once the organization is designated and agrees to accept appointment as mediator, the organization shall be directed to schedule a mediation proceeding at a time mutually convenient to Franchisor and Franchisee. The mediation shall be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If the parties cannot agree on a date for mediation, then the mediation organization shall select a date it believes is reasonable for the parties, given all of the alleged conflicts in dates. The actual mediator shall be a person who has had at least ten (10) years of experience as either franchisee or franchisor (or as an officer of such an entity), or in franchise law.

(2) The parties shall equally share the cost of the mediator. The mediator shall select the location for the mediation, giving due consideration to the location that will minimize the total expenses of the mediation; provided, however, that unless agreed to by both Franchisor and Franchisee, the mediation shall be held in a metropolitan area having a population of at least two hundred fifty thousand (250,000) persons that is not

located within two hundred (200) miles of the Franchised Business or the principal office of Franchisor.

(3) Except with respect to matters for which a party is permitted to seek injunctive or equitable relief, if either party initiates arbitration or litigation without complying with their obligation to mediate in accordance with this Section 20(b) (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 20(b)), then upon petition of any party named as a defendant in such arbitration or litigation, the court shall dismiss the action without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to such party's attorneys' fees and costs incurred in seeking dismissal. If the court refuses for any reason to dismiss the action, then regardless of the outcome of such action, or of any award given by the court in such action, the party initiating the action shall be responsible for all attorneys' fees and costs incurred throughout the action by the other party as damages for failing to comply with the provisions of this Section 20(b).

(c) **Arbitration.** Except insofar as either party elects to enforce this Agreement by judicial process and injunction as hereinabove provided, all disputes and claims arising out of or relating to this Agreement or any provision hereof, or to any specification, standard, or operating procedure, of Franchisor or to the breach thereof (including any claim that this Agreement, any provision thereof, any specification, standard, or operating procedure or any other obligation of Franchisee or Franchisor is illegal, unenforceable, or voidable under any law, ordinance, or ruling) shall be settled by arbitration at the office of the American Arbitration Association located in Miami, Florida, in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.), if applicable, and the rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise license agreements, if any, otherwise, the general rules of commercial arbitration).

(1) Any arbitrator appointed to arbitrate a dispute under this Agreement shall have at least ten (10) years' experience in franchise matters and shall have the right to award or include in any award the specific performance of this Agreement.

(2) The arbitrator will be instructed that he or she must follow the substantive law and the other requirements, waivers, and limitations of this Agreement. The arbitrator shall have no authority to add, delete, or modify in any manner, the terms and provisions of this Agreement. All findings, judgments, decisions, and awards of the arbitrator will be limited to the dispute or controversy set forth in the written demand for arbitration and response to that demand. The arbitrator may not award any relief that was not specifically requested by the parties prior to the start of the arbitration hearing. The arbitrator shall file a reasoned brief with his or her award.

(3) If there is any dispute as to whether a particular claim or matter is subject to arbitration, and the matter relates to an issue for which either party seeks an injunction in accordance with Section 20(a), the arbitrability of such claim shall be determined by the court that would otherwise hear the motion to issue the injunction. In the case of a dispute as to the arbitrability of any other claim brought by either party against the other, the decision as to whether or not the claim is subject to arbitration shall be made by the arbitrator appointed in accordance with this Agreement.

(4) Any award from the arbitrator may be appealed under the Optional Rules of the American Arbitration Association. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof. The award shall be binding, final, and nonappealable except as permitted under the United States Arbitration Act or for failure of the arbitrator to meet the requirements of this Section 20(c). Unless this Agreement is

terminated in accordance with the provisions of Section 19, during the pendency of the arbitration proceeding, Franchisee and Franchisor shall fully perform this Agreement.

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

(6) All arbitration proceedings will be individual proceedings between Franchisor and Franchisee, and will not be conducted on a "class basis," or include any of Franchisor's other franchisees as named parties unless Franchisor and Franchisee each agree.

(d) **Venue.** Franchisor and Franchisee (and Franchisee's owners and guarantors) each agree that if litigation is commenced, the sole forum for resolving disputes under this Agreement or any aspect of the relationship between the parties shall be the state and federal courts of Florida. Such actions shall be exclusively venued in the Fifteenth Circuit Court of Palm Beach, Florida, or the United States District Court for the Southern District of Florida, and the parties waive any objections they may have to either the jurisdiction or the venue in such courts and hereby consent to personal jurisdiction and venue in such courts. The only exception to the foregoing shall be: (1) if the courts of Florida would have no jurisdiction over a named party in the litigation, and such party's involvement in the litigation is integral to the underlying claims and not principally for the purpose of circumventing the intent of the parties to name Florida as the exclusive venue for any actions, then the action may be venued in any court having jurisdiction over all the parties and a significant nexus to the parties; and (2) to the extent that either party believes it is necessary to seek injunctive relief against the other, the party seeking relief may initiate that action in the county in which the other party has its principal office (which in the case of an action against Franchisee, shall be the county in which Franchisee is domiciled, or the county in which the Franchised Business is located).

(e) **Costs.** If Franchisor secures any injunction against Franchisee, or any other relief by arbitration or otherwise against Franchisee, or is successful in defending a claim brought against it by Franchisee in an arbitration or otherwise, Franchisee shall pay Franchisor an amount equal to the aggregate of Franchisor's costs of obtaining such relief and defending such claim, including reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses.

(f) **Waiver of Certain Damages.** Franchisor and Franchisee (and Franchisee's owners and guarantors) hereby waive, to the fullest extent permitted by law, any right to, or claim for, any punitive, consequential, special, or exemplary damages against the other and any affiliates, owners, employees, or agents of the other and agree that in the event of a dispute between or among any of them, each shall be limited to the recovery of any actual damages sustained by it and any equitable relief to which it might be entitled.

(g) **Waiver of Collateral Estoppel.** The parties agree they should each be able to settle, mediate, arbitrate, litigate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between Franchisor and Franchisee. Franchisor and Franchisee therefore each agree that a decision of an arbitrator or court of law in a dispute to which one of them is not a party shall not in any manner prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any subsequent action between Franchisor and Franchisee. The parties therefore waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an action between them as a result of such party having lost a similar claim or defense in another action.

(h) **Remedies Cumulative.** All remedies provided to Franchisor under this Agreement are cumulative. No exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

## 21 INDEPENDENT CONTRACTORS; INDEMNIFICATION

(a) **Independent Contractor; Evidence of Relationship.** Franchisee is a franchisee of Franchisor. Franchisee shall be conspicuously identified in all dealings with customers, prospective customers, and others, as a franchisee. Franchisee shall not represent or imply to any person that this Agreement authorizes Franchisee to act as agent for Franchisor.

(1) Without limiting the foregoing, Franchisee and its employees shall hold themselves out to the public as an independent contractor by, without limitation: (a) clearly identifying itself in all dealings with third parties as a franchised, independently owned and operated entity, including on all public records, checks, stationery, enrollment forms, receipts, marketing materials, envelopes, letterhead, business cards, employment applications or other employment documents, invoices, and other communications, electronic or otherwise; (b) displaying a sign in the Franchised Business so as to be clearly visible to the general public indicating that the Franchised Business is independently owned and operated as a franchised business; and (c) maintaining a notice on any employee bulletin board clearly visible to employees at the Franchised Business, identifying the correct name of their employer and clearly stating that neither Franchisor nor any of its affiliates is the employer and if required by Franchisor, obtaining from each of its employees an acknowledgment acknowledging that their employer is Franchisee and not Franchisor.

(2) Neither Franchisor nor Franchisee shall be obligated by any agreement, representation, or warranty made by the other, nor shall Franchisor be obligated for damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, or caused by Franchisee's negligence, willful action, or failure to act.

(b) **Franchisee Indemnification.** Franchisee agrees to indemnify Franchisor against, and to reimburse Franchisor for, all obligations and damages for which Franchisor is liable and for all costs reasonably incurred by Franchisor in the defense of any such claim brought against it, or in any such action in which it is named as a party, arising out of any act or omission of Franchisee, its personnel or contractors, or as a result of any activities occurring at, by, or through the Franchised Business, including the Franchised Business, its operation, design, or construction, or otherwise. Such indemnification shall include reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses, and travel and living expenses (collectively, "Costs"). Franchisor shall have the right to defend any such claim brought against it.

(c) **Franchisor Indemnification.** Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, any obligation or liability for damages payable to persons other than Franchisee or its owners attributable to agreements, representations, or warranties of Franchisor, or caused by the negligent or willful action of Franchisor, and for Costs reasonably incurred by Franchisee in the defense of any claim brought against it as a result of the foregoing or in any such action in which it is named as a party. Franchisor shall have the right to participate in and to control any litigation or proceeding which might result in liability of or expense to Franchisee subject to indemnification by Franchisor.

## 22 FRANCHISEE REPRESENTATIONS

To induce Franchisor to accept Franchisee's application for a Franchise and to execute this Agreement, Franchisee hereby represents and warrants to Franchisor as follows:

(a) **Standards for Service.** Franchisee recognizes and acknowledges the importance of maintaining Franchisor's standards for service, and further recognizes and acknowledges the importance of following the System of Operation;

(b) **Disclosure Document.** Franchisee has received a copy of Franchisor's Franchise Disclosure Document, together with copies of all contracts relating to the sale of the Franchise, at least fourteen (14) days prior to the execution of this Agreement and at least fourteen (14) days prior to its payment of any money to Franchisor. Franchisee has read and understands all such documents;

(c) **Business Risks.** Franchisee acknowledges that it has the entire control and direction of the Franchised Business, subject only to the conditions and covenants established by this Agreement. Franchisee further acknowledges that the business to be operated under this Agreement involves business risks, and that Franchisee's success shall be largely determined by its own skill and efforts as an independent business person. Franchisee further acknowledges that if it fails at any tasks that are vital to the operation of the Franchised Business, the Franchised Business will fail and Franchisee shall be solely responsible for any such failure;

(d) **Franchisee Advisors.** Franchisee has been advised to consult with its own advisors with respect to the legal, financial, and other aspects of this Agreement, and that Franchisee has had the opportunity to consult with such advisors and also has had the opportunity to independently investigate the opportunity offered under this Agreement; and

(e) **Independent Investigation.** Franchisee has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to profits which Franchisee might be expected to realize, nor has anyone made any other representation to induce Franchisee to accept the Franchise granted hereunder and to execute this Agreement, which is not expressly set forth herein.

## 23 MISCELLANEOUS

(a) **Business Judgment.** Except as otherwise expressly stated in this agreement, any consent or approval required to be obtained from Franchisor, or decision to be made by Franchisor, may be granted or made by Franchisor in its sole and exclusive business judgment, which may take into account Franchisor's assessment of, among other things, the long-term interests of Franchisor, the System of Operation and the Names and Marks, without regard to its effect on any individual Franchisee or Franchised Business. Franchisor's judgment shall prevail even in cases where other alternatives may be reasonable, so long as Franchisor is intending to benefit or is acting in a way that could benefit the System of Operation, enhance the value of the Names and Marks, increase customer satisfaction, or minimize possible consumer, brand, or location confusion. If Franchisor's activities or decisions are supported by its business judgment, no court, arbitrator, or judge or trier of fact, or any other person reviewing those activities or decisions may substitute his, her, or its judgment for Franchisor's judgment, in recognition of the fact that the long-term goals of a franchise system, and the long-term interests of both Franchisor and its franchisees taken together, require that Franchisor have the latitude to exercise its business judgment in administering, managing and overseeing the System of Operation.

(b) **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, this Agreement shall be governed by the laws of the State of Florida. If there is a statute in the state in which the Franchised Business is situated that specifically governs relationships between franchisees and franchisors and that law would otherwise apply, then that particular law shall apply in lieu of the foregoing.

(c) **Binding Effect.** This Agreement is binding upon the parties hereto, their respective heirs, assigns, and successors in interest.

(d) **Headings; Franchisee References; Liability.** The section headings are for convenience only and do not define, limit, or construe the contents thereof. The term “Franchisee” as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and feminine usages include the other. If there is more than one signatory as “Franchisee”, all of Franchisee’s obligations hereunder and under any other agreement with Franchisor or its affiliates shall be joint and several in each and every respect and fully enforceable against each signatory. References in this Agreement to the termination of this Agreement, or the termination of the “Term of the Franchise”, shall be deemed to include the expiration of this Agreement without renewal.

(e) **Construction.** Franchisor and Franchisee agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of each provision of this Agreement shall be construed according to its fair meaning and not strictly against Franchisor or Franchisee.

(f) **Invalid Provisions.** It is the desire and intent of Franchisor and Franchisee that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Franchisor and Franchisee shall substitute a valid and enforceable provision for any specification, standard, operating procedure, rule, or other obligation of Franchisee or Franchisor which is determined to be invalid or unenforceable and is not waived by the other.

(g) **Waivers.** Franchisor and Franchisee, by written instrument signed by both parties, may unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal, or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard, or operating procedure shall constitute a waiver of any provision of this Agreement or any specification, standard, or operating procedure; provided, however, if a party fails to notify the other in writing of an alleged misrepresentation, violation of law, deficiency, or breach of this Agreement within one (1) year from the date such party has knowledge of, believes, determines, or is of the opinion that there has been a misrepresentation, violation of law, deficiency, or breach by the other party, then the alleged misrepresentation, violation of law, deficiency, or breach will be considered waived, but such waiver of any prior deficiency or breach of any provision of this Agreement shall not affect the obligation of the party to comply with the obligation or provision in the future; provided, however, that (1) this waiver will not apply to Franchisee’s underreporting of Gross Sales, or under payment of any fees Franchisee owes Franchisor that are tied to the amount of the Franchised Business’ Gross Sales, and (2) the foregoing shall not otherwise extend or lengthen any statute of limitations provided by applicable law.

(h) **Modifications.** No modification of this Agreement shall be valid unless such modification is in writing and signed by Franchisee and Franchisor; provided, however, Franchisor may unilaterally modify or otherwise change the Confidential Manual(s).

(i) **Notices.** All written notices permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered: (1) when delivered by hand; (2) three (3) days after placed in the United States mail by registered or certified mail, return receipt requested, postage

prepaid; or (3) one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in the case of delivery under clauses (2) or (3), addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

(j) **Patriot Act Representations.** Franchisee represents and warrants that to its actual and constructive knowledge: (1) neither it (including its directors, officers, and managers), nor any of its affiliates, or any funding source for the Franchised Business, are identified on the list at the United States Treasury's Office of Foreign Assets Control; (2) neither it nor any of its affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (3) neither it nor any of its affiliates is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (4) neither it nor any of its affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State's Debarred Lists, or on the U.S. Department of Treasury's Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the "Lists"); (5) neither it nor any of its affiliates, during the term of this Agreement, will be on any of the Lists; and (6) during the term of this Agreement, neither it nor any of its affiliates will sell products, goods, or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. Franchisee agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

(k) **Variances.** Because complete and detailed uniformity under varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchise owner based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices, or any other condition which Franchisor deems to be of importance to the successful operation of such franchise owner's business. Franchisee shall not complain on account of any variation from standard specifications and practices granted to any other franchise owner and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation thereof.

(l) **Entire Agreement.** The introduction, Rider, Statement of Ownership and Management, and Cleaning Facility Addendum to Franchise Agreement (if applicable) are a part of this Agreement, which constitutes the entire agreement of the parties, and at the time of this Agreement, there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement, other than any Guaranties and Development Rights Agreement; provided, however, nothing in this or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If corporation, limited liability company, or partnership:*  
**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If individual:*  
**FRANCHISEE:**

\_\_\_\_\_  
Name: \_\_\_\_\_

[THIS AGREEMENT CONTINUES WITH RIDER AND  
STATEMENT OF OWNERSHIP AND MANAGEMENT ATTACHMENTS,  
WHICH ARE A PART OF THIS AGREEMENT]

**MULBERRYS GARMENT CARE  
FRANCHISE AGREEMENT**

**RIDER**

**Part 1** (To be completed upon signing Franchise Agreement)

**Effective Date:** \_\_\_\_\_

**Franchisee:** \_\_\_\_\_

**Form of Franchisee:** (select one)  
 Corporation incorporated in \_\_\_\_\_  
 Limited liability company organized in \_\_\_\_\_  
 Partnership formed in \_\_\_\_\_  
 Individual residing in \_\_\_\_\_

**Initial Franchise Fee:** \$ \_\_\_\_\_

**Type of Franchise:** (select one)  
 Retail Store  
 Cleaning Facility  
(complete Cleaning Facility Addendum to Franchise Agreement)

**Initial Training Program:**  Initial Training Program not required for the Franchised Business.

IN WITNESS WHEREOF, the parties have executed Part 1 of this Rider as of the Effective Date.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

*If corporation, limited liability company, or partnership:*  
**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If individual:*  
**FRANCHISEE:**

\_\_\_\_\_  
Name: \_\_\_\_\_

**MULBERRYS GARMENT CARE  
FRANCHISE AGREEMENT**

**RIDER**

**Part 2** *(To be completed upon approval of location of Franchised Business (Section 3(a))*)

**Address of Franchised  
Business:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Designated Territory:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed Part 2 of this Rider as of

**FRANCHISOR:**

MULBERRYS FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If corporation, limited liability company, or partnership:*

**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If individual:*

**FRANCHISEE:**

\_\_\_\_\_  
Name: \_\_\_\_\_

**CLEANING FACILITY ADDENDUM  
TO  
FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Mulberrys Garment Care Franchise Agreement, the following provisions shall supersede any inconsistent provisions in the Franchise Agreement and apply to the Mulberrys Garment Care Franchised Business operated as a Cleaning Facility (as such terms are defined herein).

**1 DEFINITIONS.** Capitalized terms used but not defined in this Cleaning Facility Addendum to Franchise Agreement shall have the meanings given to them in the Franchise Agreement by and between Franchisor and Franchisee (the "Franchise Agreement"), to which this Cleaning Facility Addendum to Franchise Agreement is attached.

**2 GROSS SALES.** Amounts received by the Cleaning Facility from a Retail Store operated under a franchise agreement in effect with Franchisor for the dry cleaning, laundry, or other services performed by the Cleaning Facility on behalf of such Retail Store are excluded from Gross Sales.

**3 SYSTEM OF OPERATION.** In addition to Section 1(m), the System of Operation shall also include pick-up and drop-off Delivery Services and Locker Services and Franchisor's or its affiliate's proprietary Internet-based software and mobile app for Delivery Services and Locker Services, scheduling, notifications, and routing, as applicable.

**4 GRANT OF FRANCHISE.** Section 2(a) of the Franchise Agreement is hereby replaced with the following:

(a) **Grant of Franchise; Initial Term.** Subject to the provisions of this Agreement, Franchisor grants to Franchisee a Franchise for an initial term of ten (10) years, commencing on the Effective Date, to utilize the System of Operation in the operation under the Names and Marks of one (1) "Mulberrys Garment Care" business operating from a Cleaning Facility format, and that offers premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, pick-up and drop-off Delivery Services and Locker Services (if approved by Franchisor), and related products and services using proprietary cleaning products and methods of operation within the Designated Territory.

Section 2(f) of the Franchise Agreement is hereby deleted.

**5 CONDITIONS.** Section 2(c)(6) of the Franchise Agreement is hereby replaced with the following: "Intentionally Omitted".

**6 INITIAL FRANCHISE FEE.** Section 5(a) of the Franchise Agreement is hereby amended by replacing the phrase "fifty percent (50%)" with "sixty percent (60%)".

**7 PROCESSING AT CLEANING FACILITY.** Section 9(f) of the Franchise Agreement is hereby replaced with the following:

(f) **Processing at Cleaning Facility.** Franchisee shall perform dry cleaning and laundry services on-site at the Franchised Business, as well as the dry cleaning and laundry services for any Retail Stores that Franchisee may contract with. Franchisor reserves the right to approve which Retail Stores the Cleaning Facility may service, and the terms and conditions of service between the Retail Store and the Franchised Business. Franchisee agrees to negotiate in good faith with any Retail Store that requests dry cleaning and laundry services from the Cleaning Facility.

**8 LOCKER SERVICES.** Franchisee may purchase, locate, install, maintain, and service pick-up and drop-off lockers which are located off-site from the location of the Franchised Business but within the Designated Territory, which lockers may be used by customers of the Franchised Business to pick-up and drop-off garments and other items for servicing through the Franchised Business (collectively, "Locker Services"). Franchisee may not offer or provide any Locker Services or similar drop-box or kiosk services from or in connection with the Cleaning Facility, unless Franchisee: (a) obtains Franchisor's prior written approval to provide Locker Services and purchases the lockers from Franchisor or its affiliate or other approved supplier as designated by Franchisor; (b) complies with Franchisor's System of Operation and other standards that Franchisor may periodically specify relating to Locker Services; (c) locates the lockers only within the Designated Territory of the Cleaning Facility as extensions of the Cleaning Facility, and maintains, updates, and upgrades the lockers as Franchisor may require; (d) obtains Franchisee's prior approval for any proposed site for the lockers, which Franchisor may approve or reject in its discretion, obtain possession of the approved site, provide to Franchisor a copy of any lease or purchase agreement related to the approved site, and install the lockers at the approved site; and (e) services any lockers only through its employees, and does not use independent contractors or third party agents (including third party delivery services or aggregators) to service the lockers. Franchisee will not receive an additional territory, protected or otherwise, around its lockers. Franchisee may not provide Locker Services from or in connection with a Retail Store. All Locker Services shall be deemed extensions of the Franchised Business, and any rights and restrictions related to the Franchised Business under the Franchise Agreement apply to the Locker Services; provided, however, if Franchisee fails to comply with Franchisor's System of Operation as they relate to Locker Services, then Franchisor may immediately terminate Franchisee's right to provide any Locker Services anywhere or terminate the Franchise Agreement.

**9 DELIVERY SERVICES.** Franchisee may provide pick-up and drop-off delivery services from the Franchised Business to customer pick-up and drop-off locations which are within the delivery area, which allow customers of the Franchised Business to schedule pick-up and drop-off of garments and other items from the customer's location for servicing through the Franchised Business (collectively, "Delivery Services"). Franchisee may not offer or provide any Delivery Services or similar services from or in connection with the Cleaning Facility, unless Franchisee: (a) obtains Franchisor's prior written approval to provide Delivery Services; (b) complies with Franchisor's System of Operation and other standards that Franchisor may periodically specify relating to Delivery Services; and (c) provides Delivery Services directly to customers only through its employees, and does not use independent contractors or third party agents (including third party delivery services or aggregators) to provide those Delivery Services. If Franchisor grants Franchisee the right to provide Delivery Services from its Cleaning Facility, then Franchisee will be able to provide Delivery Services only within the delivery area that Franchisor may periodically specify. The delivery area is typically the same as the Designated Territory for the Cleaning Facility (unless Franchisor specifies a smaller area). Franchisor may, at any time and for any or no reason, change the definition of the delivery area and, in particular, reduce its size. Franchisor has the right to review requests for delivery outside the delivery area and may, on a temporary basis, give its approval for those Delivery Services or revoke its approval. If Franchisor ever decides to do so, Franchisee agrees immediately to provide Delivery Services only within the newly-defined delivery area (if any). If Franchisee fails to do so, or otherwise fails to comply with Franchisor's System of Operation as they relate to Delivery Services, then Franchisor may immediately terminate Franchisee's right to provide any Delivery Services anywhere or terminate the Franchise Agreement. The delivery area is not exclusive and Franchisor may engage, and/or allow other franchisees and third parties to engage, in any activities Franchisor desires within the delivery area without any restrictions whatsoever (other than as may be restricted in the Designated Territory). Franchisor will not be liable for any reduction in Franchisee's sales as a result of these activities. Franchisee must follow Franchisor's rules for Delivery Services and delivery driver qualifications. Franchisee may not provide Delivery Services from or in connection with a Retail Store. All Delivery Services shall be

deemed extensions of the Franchised Business, and any rights and restrictions related to the Franchised Business under the Franchise Agreement apply to the Delivery Services.

**10 TERMINATION.** Section 19(a)(1) of the Franchise Agreement is hereby replaced with the following: "Intentionally Omitted".

IN WITNESS WHEREOF, the undersigned have executed this Cleaning Facility Addendum to Franchise Agreement as of \_\_\_\_\_, 20\_\_\_\_\_.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If corporation, limited liability company, or partnership:*

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If individual:*

**FRANCHISEE:**

\_\_\_\_\_  
Name: \_\_\_\_\_

**STATEMENT OF OWNERSHIP AND MANAGEMENT**

The undersigned Franchisee ("Franchisee") represents and warrants to MULBERRYS FRANCHISING, LLC ("Franchisor") that as of the date set forth below all of the information below is true and complete:

**Franchisee:** \_\_\_\_\_

**Form of Franchisee:**  Corporation incorporated in \_\_\_\_\_  
 (select one)  Limited liability company organized in \_\_\_\_\_  
 Partnership formed in \_\_\_\_\_

<b>Ownership</b> (Each owner must sign a Guaranty)		
<b>NAME OF OWNER</b>	<b>NO. OF SHARES/UNITS OWNED</b>	<b>OWNERSHIP PERCENTAGE</b>
		%
		%
		%
		%
		%

<b>Management</b> (List each individual holding a position as board-member or officer)	
<b>NAME OF INDIVIDUAL</b>	<b>ROLE/TITLE</b>

Franchisee acknowledges that this Statement of Ownership and Management applies to the Mulberrys Garment Care Franchise Agreement. Franchisee shall immediately notify Franchisor upon any change in the information contained in this Statement of Ownership and Management, and upon request of Franchisor, complete an updated or new Statement of Ownership and Management and Guaranty executed by all owners of Franchisee.

**FRANCHISEE:**  
 \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**GUARANTY**

IN CONSIDERATION of the grant by MULBERRYS FRANCHISING, LLC ("Franchisor") of a Mulberrys Garment Care franchise to the party named as Franchisee ("Franchisee") in the Franchise Agreement to which this Guaranty is attached (the "Franchise Agreement"), and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby guarantee (jointly and severally with one another and all other guarantors of Franchisee, whether such guarantees are entered into prior to or after the date hereof) to Franchisor and to Franchisor's successors and assigns: (a) the payment of all costs and fees required to be paid to Franchisor or its affiliates by Franchisee, whether such costs and fees are provided for in the Franchise Agreement or under any other agreement between Franchisee and Franchisor or an affiliate of Franchisor, and (b) the performance by Franchisee of all its obligations under all such agreements and under all manuals and operating procedures of Franchisor's business system. The undersigned further specifically agree to remain individually bound by all covenants, obligations, and commitments of Franchisee contained in the Franchise Agreement and such other agreements to the same extent as if each of the undersigned had individually been named as Franchisee in the Franchise Agreement and such other agreements, and the undersigned had individually executed the Franchise Agreement and such other agreements.

The undersigned understand and agree that any modification of the Franchise Agreement or any other agreement, including any addendum or addenda thereto, or waiver by Franchisor of the performance by Franchisee of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Franchisee thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Franchise Agreement or any other agreement, including any addendum or addenda thereto, shall not in any way release the undersigned from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Franchisee is so released, terminated, affected, or diminished. Notice to the undersigned of any such modification, waiver, extension, or forbearance under the terms thereof being hereby waived.

The undersigned further understand and agree that no bankruptcy or reorganization of Franchisee shall release or otherwise affect the obligations of the undersigned to pay all costs and fees provided for in all agreements between Franchisee and Franchisor or its affiliates, or otherwise owing to Franchisor or its affiliates, and to perform all the provisions of such agreements, as well as all manuals and operating procedures of Franchisor's business system, nor does the same release the undersigned from being individually bound to perform all covenants, obligations, and commitments of Franchisee contained in the Franchise Agreement or any other agreement to the same extent as if each of the undersigned had individually executed the Franchise Agreement and such other agreements.

This Guaranty shall be enforceable upon ten (10) days' written notice by Franchisor to any of the undersigned of any default by Franchisee of any of its covenants under the terms of the Franchise Agreement and addendum or addenda thereto. The undersigned hereby waive any and all notice of default on the part of Franchisee; waive exhausting of recourse against Franchisee; and consent to any assignment of the Franchise Agreement and any other agreement, in whole or in part, that Franchisor or its assignees may make. This Guaranty shall be a continuing Guaranty and may not be revoked without the prior written consent of Franchisor. This Guaranty shall apply to all agreements referenced in this Guaranty, to the renewal of all such agreements, and to any successor agreements thereto.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

**FRANCHISE ASSIGNMENT, SALE, AND TRANSFER  
TO ENTITY OWNED BY ORIGINAL FRANCHISEE**

**1 ASSIGNMENT AND SALE**

Pursuant to Section 16(c)(1) of the Mulberrys Garment Care Franchise Agreement dated \_\_\_\_\_, by and between the undersigned and MULBERRYS FRANCHISING, LLC (the "Agreement"), I/we hereby transfer, subject to approval by MULBERRYS FRANCHISING, LLC (the "Franchisor"), all my/our rights, in the Agreement, effective \_\_\_\_\_, to the Transferee (as defined below). I/we understand that this transfer does not relieve me/us of my/our obligations under the Agreement. To induce Franchisor to approve this assignment:

- (a) I/we agree to subordinate any payment due to me/us from the Transferee to any other obligation the Transferee may have to Franchisor. If Franchisor notifies me/us of our default by the Transferee of its obligations to Franchisor under the Agreement, I/we will not accept any further amounts that may be owed to me/us by the Transferee until Franchisor has confirmed, in writing, that such defaults have been cured.
- (b) I/we release Franchisor and its officers, directors, and agents, from all actions and claims I/we may have against them arising out of their sale to me/us of the Franchise, or in connection with my/our operation of the Franchise, including, but not limited to, any claims arising under the Agreement.
- (c) I/we will remain bound to all the obligations of Franchisee contained in the Agreement to the same extent as if I/we remain Franchisee under that Agreement.

\_\_\_\_\_  
Name of New Franchisee ("Transferee")

\_\_\_\_\_  
Address of Transferee

\_\_\_\_\_  
City, State, and Zip Code of Transferee

\_\_\_\_\_  
Signature of Original Franchisee ("Transferor")

\_\_\_\_\_  
Date

**2 ACCEPTANCE OF TRANSFER BY TRANSFEEE**

The undersigned entity hereby accepts transfer of the Agreement and agrees to be bound by all of the provisions of the Agreement and to assume all of the obligations required of Franchisee named herein.

\_\_\_\_\_  
Name of Transferee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**3 APPROVAL OF TRANSFER**

It is hereby agreed that the Transferee is approved and accepted as Franchisee for the Franchised Business described in the Agreement and is authorized to exercise all rights and obligations of Franchisee named in the Agreement including the right to renew the Agreement upon expiration thereof, pursuant to the terms of the Agreement.

MULBERRYS FRANCHISING, LLC

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GENERAL RELEASE**  
[USED IN EVENT OF TRANSFER]

In consideration of the agreement of MULBERRYS FRANCHISING, LLC ("Franchisor") to consent to the assignment by \_\_\_\_\_ ("Franchisee") of its Franchise Agreement dated \_\_\_\_\_ between Franchisee and Franchisor (the "Agreement"), Franchisee hereby releases and forever discharges Franchisor, and all affiliates of Franchisor, and their respective governors/directors, managers/officers, owners/shareholders, employees, and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors, and assigns, from any and all claims Franchisee may have against such parties, from the beginning of time to the date hereof, known or unknown, whether in law or in equity, including, but not limited to, any claims arising out of the offer or sale of any franchise to Franchisee, and any matters arising under the Agreement.

NOTWITHSTANDING THE FOREGOING, THIS RELEASE DOES NOT RELEASE ANY CLAIMS THE UNDERSIGNED MAY HAVE THAT MAY NOT BE RELEASED PURSUANT TO THE FRANCHISE LAWS WHERE THE UNDERSIGNED IS A RESIDENT OR WHERE THE FRANCHISED BUSINESS IS LOCATED, TO THE EXTENT REQUIRED BY APPLICABLE LAW.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

[ADDITIONAL PROVISIONS FOR CALIFORNIA FRANCHISEES ONLY]

**Waiver of Civil Code Section 1542.** This Release is intended by Franchisee to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee against Franchisor and the other released parties regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee hereby expressly, knowingly, and intentionally waives any and all rights, benefits, and protections of Section 1542 and of any other state or federal statute or common law principle limiting the scope of a general release, as well as under any other statutes or common law principles of similar effect to Section 1542, whether now or hereinafter existing under the laws of California, or any other applicable federal and state law with jurisdiction over the parties' relationship. Franchisee has been made aware of, and understand, the provisions of California Civil Code Section 1542 ("Section 1542"), which provides:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

In making this voluntary express waiver, Franchisee acknowledges that claims or facts in addition to or different from those that are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is the intention of Franchisee to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. You acknowledge and agree that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

**Release Not Admission.** Franchisee understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be construed as an admission of any liability by Franchisor or an admission of the validity of any claims made by or against Franchisor.

**ADDENDUM TO  
MULBERRYS GARMENT CARE FRANCHISE AGREEMENT  
FOR THE  
STATE OF CALIFORNIA**

Notwithstanding anything to the contrary set forth in the Mulberrys Garment Care Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Mulberrys Garment Care franchises offered and sold or operated in the State of California.

This California Addendum is only applicable if you are a resident of California or if your business will be located in California.

1. Based upon the Franchisor's financial condition, the California Department of Financial Protection and Innovation has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee prior to the opening of the Franchised Business shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement and the Franchised Business has opened.
2. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning transfer, termination and nonrenewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to transfer, termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with Franchisor, including the areas of transfer, termination and renewal of Franchisee's franchise. If the Franchise Agreement is inconsistent with the law, the law will control.
3. The Franchise Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043)). To the extent required by such laws, Franchisee shall not be required to execute a general release.
4. The Franchise Agreement requires application of the laws and forum of Florida. This provision may not be enforceable under California law.
5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.
7. The Franchise Agreement requires that the highest interest rate allowed by law in California is 10% annually.
8. The Franchise Agreement requires binding arbitration. The arbitration will occur at the office of the American Arbitration Association in Miami, Florida. You will bear all costs of arbitration if we secure any relief against you in the arbitration, or are successful in defending a claim you bring against us in the arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

- 9. Section 22 of the Franchise Agreement entitled "Franchisee Representations" is hereby deleted in its entirety and replaced with "[Intentionally Deleted]".
- 10. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Relations Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If corporation, limited liability company, or partnership:*  
**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If individual:*  
**FRANCHISEE:**

Name: \_\_\_\_\_

**ADDENDUM TO  
MULBERRYS GARMENT CARE FRANCHISE AGREEMENT  
FOR THE  
STATE OF MINNESOTA**

Notwithstanding anything to the contrary set forth in the Mulberrys Garment Care Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Mulberrys Garment Care franchises offered and sold or operated in the State of Minnesota.

1. Minnesota Statutes, Section 80C.21, and Minnesota Rules 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Agreement can abrogate or reduce (a) any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C; or (b) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief.
2. With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statutes, Section 80C.14, subd. 3-5, which require (except in certain specified cases) (a) that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and (b) that consent to the transfer of the franchise will not be unreasonably withheld.
3. To the extent required by the Minnesota Franchise Act, Franchisor will protect Franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols related to the trademarks or indemnify Franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks, provided Franchisee is using the names in marks in accordance with the Franchise Agreement.
4. Minnesota Rules 2860.4400(D) prohibits Franchisor from requiring Franchisee to assent to a general release.
5. Franchise Agreement, Section 23(g), is revised to comply with Minnesota Statutes, Section 80C.17, subd. 5.
6. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes, Chapter 80C, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IF CORPORATION, LLC, OR PARTNERSHIP:  
**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IF INDIVIDUAL:  
**FRANCHISEE:**

\_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT G  
DEVELOPMENT RIGHTS AGREEMENT**

## **MULBERRYS GARMENT CARE DEVELOPMENT RIGHTS AGREEMENT**

This **MULBERRYS GARMENT CARE DEVELOPMENT RIGHTS AGREEMENT** ("Agreement") is made as of the "Effective Date" set forth on the Rider attached hereto (the "Rider"), by and between MULBERRYS FRANCHISING, LLC, a Texas limited liability company ("Franchisor"), and the "Developer" set forth on the Rider ("Developer").

### **INTRODUCTION**

Franchisor and its affiliates have developed a System of Operation (as defined below) for the operation of "Mulberrys Garment Care" businesses operated under the Names and Marks (as defined below) that offer premium, toxin-free dry cleaning, laundering, garment and fabric care, repair, and alterations, pick-up and drop-off delivery services and locker services, and related products and services using proprietary cleaning products and methods of operation that are operated from Cleaning Facilities (as defined below) or Retail Stores (as defined below). Franchisor desires to grant to qualified persons franchises to use the concepts, programs, and methods of promotion developed by Franchisor and its affiliates to develop and operate a "Mulberrys Garment Care" business. Developer has applied to Franchisor for development rights to develop and operate one (1) or more Franchised Business(es) (as defined below) within the Development Territory (as defined below), and the application has been approved by Franchisor in reliance on all the representations made in the application.

NOW, THEREFORE, in consideration of the mutual promise of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

#### **1 DEFINITIONS**

- (a) "Affiliate" shall mean any corporation, limited liability company, partnership, or other business entity of which Developer or one or more of Developer's majority owners owns at least fifty one percent (51%) of the total authorized ownership interests, as long as Developer or such owner(s) have the right to control the management of the corporation, limited liability company, partnership, or other business entity, and in each case approved by Franchisor.
- (b) "Cleaning Facility" shall mean a retail business offering Franchisor's approved products and services under the Names and Marks and using the System of Operation that is attached to a dry cleaning and laundry plant where dry cleaning and laundry services are performed on-site.
- (c) "Franchised Business" shall mean a "Mulberrys Garment Care" business franchised under a franchise agreement with Franchisor that uses the System of Operation and the Names and Marks, and that operates from either a Cleaning Facility or Retail Store format.
- (d) "Names and Marks" shall mean the commercial trade names, trademarks, service marks, domain names, and other commercial symbols, including associated logos, now or hereafter selected, used or promoted by Franchisor and licensed to Developer or its Affiliates under a franchise agreement for use in connection with the System of Operation and the operation of Franchised Businesses.
- (e) "National, Regional, and Institutional Accounts" shall mean any organizational or institutional customers whose presence is not confined to the Development Territory, including businesses with offices, locations, or branches situated both inside and outside of the Development Territory; government agencies, branches, or facilities; healthcare networks; the military; and, any other customer whose presence is not confined to the Development Territory.

(f) **“Retail Store”** shall mean a retail business offering Franchisor’s approved products and services under the Names and Marks and using the System of Operation, but where on-site dry cleaning and laundry are not provided and all services performed or sold through the retail business are processed at Developer’s or its Affiliate’s Cleaning Facility or the Cleaning Facility of another Mulberrys Garment Care franchisee or the Cleaning Facility of Franchisor or its affiliate.

(g) **“System of Operation”** shall mean the business plans and methods developed by Franchisor and its affiliates to be used in connection with the operation of a business that offers premium, toxin-free dry cleaning, laundering, garment and fabric care, repair, and alterations, pick-up and drop-off delivery services and locker services, and related products and services using proprietary cleaning products and methods of operation. The “System of Operation” includes standards, specifications, methods, procedures, techniques, and management systems, all of which may be changed, improved, and further developed from time to time by Franchisor, but specifically excludes any employee policies or procedures that Franchisor may make available to Developer (or its Affiliate) for its optional use.

## 2 GRANT OF DEVELOPMENT RIGHTS

(a) **Development Rights.** Subject to the terms and conditions of this Agreement, and provided that Developer is in full compliance with this Agreement, Franchisor grants Developer (and/or its Affiliates) the right to develop the number and format of Franchised Business(es) set forth on and pursuant to the development schedule included on the Rider attached hereto (the **“Development Schedule”**), within the geographic area described on the Rider attached hereto (the **“Development Territory”**). Time is of the essence for the development of each Franchised Business in accordance with the Development Schedule.

(b) **Exclusions to Development Schedule.** Developer acknowledges and agrees that the following shall not be added or count towards the calculation to determine whether Developer has satisfied any cumulative number of Franchised Businesses required to be opened as provided in the Development Schedule:

(1) any pick-up and drop-off lockers or kiosks under the name “Laundry Locker by Mulberrys” or any other name, whether located within or outside the Development Territory;

(2) any Mulberrys Garment Care business developed outside of the Development Territory; or

(3) any Franchised Business Developer (and/or its Affiliate) owns that is located inside of the Development Territory that is closed within six (6) months of the date it opens (regardless of the reason for such closure). Developer (and/or its Affiliate) may not close any Franchised Business without Franchisor’s prior written consent.

(c) **Development Territory.** Provided Developer and its Affiliates are in full compliance with this Agreement (including with respect to the cumulative number of Franchised Businesses opened and in operation as required by the Development Schedule) and all other agreements between Developer (or any of its Affiliates) and Franchisor (or any of Franchisor’s affiliates), including any franchise agreement between any of the foregoing parties, then, during the Term only, except as otherwise provided in this Agreement, neither Franchisor nor any of its affiliates will operate, or authorize any other party to operate, a Cleaning Facility or Retail Store physically located within the Development Territory. Developer acknowledges that the foregoing restrictions do not prevent Franchisor or its affiliates from any activity not specifically set forth in such restrictions, including:

- (1) Operating, or allowing others to operate, similar or identical businesses located outside the Development Territory, whether under the Names and Marks or other trade or service marks, even if the businesses compete with the Developer's or its Affiliate's Franchised Business(es);
- (2) Operating, or allowing others to operate, businesses inside the Development Territory under the Names and Marks or other trade or service marks that do not provide dry cleaning, laundering, or garment or fabric care, repair, or alterations;
- (3) Selling products to third parties even if such products are sold or provided to Developer or its Affiliates for use in the Developer's or its Affiliate's Franchised Business(es), whether located in the Development Territory or otherwise and whether under the Names and Marks or other trade or service marks;
- (4) Selling goods or services, or granting others the right to sell goods or services, similar to or competitive with those sold by the Developer's or its Affiliate's Franchised Business(es), whether using the Names and Marks or other trade or service marks, through other distribution channels (including the Internet, catalog sales, telemarketing, or other direct marketing) both inside and outside the Development Territory;
- (5) Acquiring businesses that are similar to the Developer's or its Affiliate's Franchised Business(es); or
- (6) The sale of Franchisor or substantially all of its assets to, or merger of Franchisor with, any third party regardless whether such third party operates, or franchises the operation of, businesses similar to the Developer's or its Affiliate's Franchised Business(es)

After this Agreement expires or is terminated (regardless of the reason), Franchisor and its affiliates may engage, and allow others to engage, in any activities Franchisor or its affiliates desire within and outside the Development Territory without any restrictions whatsoever, subject only to Developer's (or any Affiliate's) rights under franchise agreements with Franchisor then in effect.

(d) **National Accounts Program.** Franchisor may implement a national accounts program, which would allow Franchisor to sell directly or indirectly to any National, Regional, and Institutional Account the products and services offered by Mulberrys Garment Care businesses (the "National Accounts Program"). Developer shall abide, and Developer shall ensure that its Affiliates abide, by the terms and conditions of such National Account Program. If Franchisor creates a National Accounts Program, Franchisor may receive orders for any National, Regional, and Institutional Account to be performed in the Development Territory. If this happens, Franchisor may offer the order to Developer (or its Affiliate) at the price established by the National Accounts Program so long as Developer is not in default of this Agreement. If Developer or its Affiliate chooses not to fulfill the order or is unable to do so, then Developer will be deemed to be in default of this Agreement and an affiliate of Franchisor or a third party Franchisor designates (including another Mulberrys Garment Care franchisee) may fulfill the order, and Developer (and its Affiliate) will be entitled to no compensation in connection with the order.

(e) **Development Rights Fee.** In consideration for the grant of the development rights to Developer, Developer shall pay to Franchisor the "Development Rights Fee" set forth on Schedule A. The Development Rights Fee shall be due and payable upon execution of this Agreement. The Development Rights Fee shall be deemed to have been earned by Franchisor at the time it is due, and shall not be refundable, except that Franchisor will credit any Development Rights Fee paid under this Agreement towards the initial franchise fee due under each franchise agreement Developer or its Affiliate signs with Franchisor pursuant to this

Agreement. Any remaining Development Rights Fees paid under this Agreement upon termination or expiration of this Agreement shall be retained by Franchisor.

(f) **Extensions.** During the Term, Franchisor may, in its sole discretion and upon request, grant Developer extensions on any of the prescribed deadlines in this Agreement in full-month increments. Developer must request from Franchisor an extension of the applicable deadline at least fourteen (14) calendar days before the deadline date, and provide the number of full months of extensions requested. If Franchisor grants an extension on any deadline, Franchisor will determine the length of the extension in its sole discretion, not to exceed the number of full months requested by Developer, and Developer shall pay an extension fee to Franchisor equal to Two Thousand Dollars (\$2,000) per full month to compensate Franchisor for its costs, expenses, and lost opportunities related to the proposed extension (the "Extension Fee"). Franchisor may consider a variety of factors in granting or denying an extension, including the diligence Developer has shown in developing the Franchised Business(es) and the Developer's ability to meet the Development Schedule previously. The Extension Fee shall be deemed fully earned and non-refundable when due, and will not be credited against any initial franchise fee payable under any franchise agreement.

(g) **No Rights to System of Operation or Names and Marks.** This Agreement does not grant Developer or its Affiliates the right to use the System of Operation or the Names and Marks, such rights being exclusively governed by the applicable franchise agreement entered into by Developer or its Affiliate and Franchisor.

### 3 DEVELOPMENT OBLIGATIONS

(a) **Development Obligations.** Developer (and/or its Affiliate) shall develop, open for business, and continuously operate the agreed-upon cumulative number and format of Franchised Business(es) within the Development Territory by the dates set forth on the Development Schedule. Developer or its Affiliate will develop, open, and operate each Franchised Business under a separate franchise agreement (and related documents) with Franchisor. The franchise agreement (and related documents) that Developer or its Affiliate will sign for each Franchised Business will be Franchisor's then-current form of franchise agreement and related documents, including, without limitation, personal guarantees (collectively, the "Franchise Documents") in effect and being used by Franchisor for the granting of new franchises, any or all of the terms and conditions of which may differ substantially from the terms and conditions contained in the form of franchise agreement currently used by Franchisor as of the Effective Date.

(b) **Franchised Business Format.** Each Franchised Business Developer (and/or its Affiliate) is required to develop and open shall be either a Cleaning Facility or Retail Store, provided that:

(1) The first Franchised Business Developer (and/or its Affiliate) develops and opens within the Development Territory must be a Cleaning Facility;

(2) Developer (and/or its Affiliate) must continuously have in operation and good standing at least one (1) Cleaning Facility within the Development Territory, and if the franchise agreement for Developer's sole Cleaning Facility within the Development Territory is terminated or expires for any reason, Developer (and/or its Affiliate) may not develop or open a Retail Store until it develops and opens at least one (1) Cleaning Facility within the Development Territory;

(3) Franchisor may require, in its sole discretion, that Developer (and/or its Affiliate) open more than one (1) Cleaning Facility within the Development Territory depending on the size and geographic area of the Development Territory in order to ensure the prompt and efficient servicing of Retail Stores within the Development Territory; and

(4) Developer (and/or its Affiliate) shall sign the appropriate Franchise Documents for each format of Franchised Business to be developed and opened under this Agreement.

(c) **Franchise Approval.** Developer acknowledges and agrees that franchise agreements are granted by Franchisor only after submission and approval of a formal application for a Mulberrys Garment Care franchise based on Franchisor's then-current requirements for franchisees and provided that Developer (and/or its Affiliate) supplies all information requested by Franchisor and paying all required fees, if any. Franchisor may, in its sole discretion, choose to grant or deny applications for franchise agreements; however, Franchisor will exercise good faith in exercising its discretion. Developer shall comply in all respects with Franchisor's franchise application policies and procedures in force at such time as Developer (and/or its Affiliate) may apply for a franchise agreement. Developer understands and agrees that any activities undertaken in reliance on this Agreement or the potential grant of a franchise hereunder prior to signing a franchise agreement with Franchisor are at Developer's own risk and expense.

(d) **Franchise Documents.** Within thirty (30) days after Franchisor approves Developer's (or its Affiliate's) application for a Franchised Business and the issuance of Franchisor's then-current Franchise Disclosure Document and other Franchise Documents, Developer (and/or its Affiliates), and their respective owners to the extent required, must sign all Franchise Documents requested by Franchisor for the Franchised Business proposed to be developed. If Developer (and/or its Affiliate), or any of their respective owners, do not do so, then Franchisor may withdraw its approval of such application for a Franchised Business. After Developer (and/or its Affiliate) sign the Franchise Documents for a particular Franchised Business, the terms and conditions of that Franchise Documents will control the further development and operation of that Franchised Business.

(e) **Site Approval.** Developer (and/or its Affiliate) shall be solely responsible for locating appropriate sites for the construction of each Franchised Business and taking all other actions necessary to finance, build, and construct such Franchised Business(es). Developer understands and agrees that all proposed sites are subject to Franchisor's prior approval in its sole discretion.

(f) **Opening.** Developer (and/or its Affiliate) shall open each Franchised Business by the date set forth in the applicable Franchise Documents, subject to satisfaction of all condition precedents to opening in the Franchise Documents, but in any event, no later than the date set forth for opening in the Development Schedule.

#### 4 **ASSIGNMENT**

(a) **By Franchisor.** This Agreement is fully assignable by Franchisor without the consent of Developer or any of its Affiliates, and shall inure to the benefit of any assignee or other legal successor in interest of Franchisor.

(b) **General Prohibition on Developer Assignment.** Developer (and each of its owners) acknowledges that Franchisor granted Developer the rights under this Agreement because of Developer's (and its owners') individual and collective character, skill, business acumen, financial capability, and ability to develop, open, and operate Franchised Businesses according to Franchisor's standards. These rights are personal to Developer's and its owners. Therefore, Developer may not, and Developer may not permit any of its owners to, transfer, assign, or otherwise encumber this Agreement, or any portion of this Agreement or part of any Development Territory, or any of ownership interests in Developer (whether directly or indirectly).

(c) **Statement of Ownership and Management.** Developer represents and warrants that the information contained in the Statement of Ownership and Management attached hereto is true and correct as of the Effective Date. Developer shall immediately notify Franchisor of any

change in any of the information in the Statement of Ownership and Management last submitted to Franchisor. Further, upon Franchisor's request Developer shall provide Franchisor with an updated Statement of Ownership and Management. Each of Developer's owners as of the Effective Date and thereafter, must sign Franchisor's then-current Guaranty at the time such individual becomes Developer's owner.

## 5 TERM; TERMINATION

(a) **Term.** This Agreement's term begins on the Effective Date and ends on the earlier of: (a) the date the last Franchised Business under the Development Schedule opens for business; or (b) this Agreement is otherwise terminated (the "Term").

(b) **Termination.** Franchisor may terminate this Agreement and Developer's right to develop additional Franchised Business(es) within the Development Territory at any time, effective upon delivery of written notice of termination, if:

(1) Developer fails to satisfy either its development obligations under the Development Schedule or any other obligation under this Agreement, which defaults Developer shall have no right to cure;

(2) Any Franchise Documents between Franchisor and Developer (or any of its Affiliate) for a Franchised Business is terminated by Franchisor or Developer (or any of its Affiliate) for any reason;

(3) Developer is convicted in a court of competent jurisdiction of an offense directly related to the Franchised Businesses;

(4) Developer makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due, or Developer files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any law, admits or fails to contest the material allegations of any such pleading filed against it, or is adjudicated bankrupt or insolvent;

(5) Developer (or its Affiliate) makes an unauthorized assignment or transfer of this Agreement, the Development Territory, any Franchised Business, or any ownership interest in Developer (or its Affiliate); or

(6) Developer has made material misrepresentations on its application for the development rights hereunder or in connection with any application for a Franchised Business.

(c) **Actions Upon Expiration or Termination.** Upon expiration or termination of this Agreement for any reason, Developer's development rights and rights to develop, open, and operate Franchised Businesses shall automatically terminate and expire, and Developer's (and/or its Affiliate's) rights to use the System of Operation and Names and Marks shall be limited to those Franchised Businesses in development or currently in operation pursuant to effective franchise agreements which Franchisor executed and delivered prior to such expiration or termination of this Agreement; provided, however, that Developer acknowledges and agrees that a termination of this Agreement shall be deemed a cross-default under all other franchise agreements with Franchisor.

## 6 DEVELOPER REPRESENTATIONS

To induce Franchisor to accept Developer's application for a Franchise and to execute this Agreement, Developer hereby represents and warrants to Franchisor as follows:

- (a) **Standards for Service.** Developer recognizes and acknowledges the importance of maintaining Franchisor's standards for service, and further recognizes and acknowledges the importance of following the System of Operation in connection with each Franchised Business;
- (b) **Disclosure Document.** Developer has received a copy of Franchisor's Franchise Disclosure Document, together with copies of all contracts relating to the sale of the franchise, at least fourteen (14) days prior to the execution of this Agreement and at least fourteen (14) days prior to its payment of any money to Franchisor. Developer has read and understands all such documents;
- (c) **Business Risks.** Developer acknowledges that it has the entire control and direction of the development of Franchised Businesses hereunder, subject only to the terms and conditions of this Agreement and any franchise agreement between Developer (and/or its Affiliate) and Franchisor. Developer further acknowledges that the development of Franchised Businesses under this Agreement involves business risks, and that Developer's success shall be largely determined by its own skill and efforts as an independent business person. Developer further acknowledges that if it fails at any tasks that are vital to the operation of the development of Franchised Business, Developer shall be solely responsible for any such failure;
- (d) **Developer Advisors.** Developer has been advised to consult with its own advisors with respect to the legal, financial, and other aspects of this Agreement, and that Developer has had the opportunity to consult with such advisors and also has had the opportunity to independently investigate the opportunity offered under this Agreement; and
- (e) **Independent Investigation.** Developer has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to profits which Developer might be expected to realize, nor has anyone made any other representation to induce Developer to accept the franchise granted hereunder and to execute this Agreement, which is not expressly set forth herein.

## 7 MISCELLANEOUS

- (a) **Business Judgment.** Except as otherwise expressly stated in this agreement, any consent or approval required to be obtained from Franchisor, or decision to be made by Franchisor, may be granted or made by Franchisor in its sole and exclusive business judgment, which may take into account Franchisor's assessment of, among other things, the long-term interests of Franchisor, the System of Operation, and the Names and Marks, without regard to its effect on any individual Developer, franchisee, or Franchised Business. Franchisor's judgment shall prevail even in cases where other alternatives may be reasonable, so long as Franchisor is intending to benefit or is acting in a way that could benefit the System of Operation, enhance the value of the Names and Marks, increase customer satisfaction, or minimize possible consumer, brand, or location confusion. If Franchisor's activities or decisions are supported by its business judgment, no court, arbitrator, or judge or trier of fact, or any other person reviewing those activities or decisions may substitute his, her, or its judgment for Franchisor's judgment, in recognition of the fact that the long-term goals of a franchise system, and the long-term interests of both Franchisor and its Developers and franchisees taken together, require that Franchisor have the latitude to exercise its business judgment in administering, managing and overseeing the System of Operation.

(b) **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, this Agreement shall be governed by the laws of the State of Florida. If there is a statute in the state in which the Developer or the Development Territory is situated that specifically governs relationships between franchisees and franchisors and that law would otherwise apply, then that particular law shall apply in lieu of the foregoing.

(c) **Dispute Resolution.** Franchisor and Developer agree that all actions arising under this Agreement, other than an action for injunctive relief, shall be submitted to mediation and then binding arbitration, each as described in the most recent franchise agreement executed by Franchisor and Developer (and/or its Affiliate), or if no such franchise agreement has been executed, then as provided in the form of franchise agreement disclosed to Developer in the most recent Franchise Disclosure Document furnished to Developer.

(d) **Binding Effect.** This Agreement is binding upon the parties hereto, their respective heirs, assigns, and successors in interest.

(e) **Headings; Developer References; Liability.** The section headings are for convenience only and do not define, limit, or construe the contents thereof. The term “Developer” as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and feminine usages include the other. If there is more than one signatory as “Developer”, all of Developer’s obligations hereunder and under any other agreement with Franchisor or its affiliates shall be joint and several in each and every respect and fully enforceable against each signatory.

(f) **Construction.** Franchisor and Developer agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of each provision of this Agreement shall be construed according to its fair meaning and not strictly against Franchisor or Developer.

(g) **Invalid Provisions.** It is the desire and intent of Franchisor and Developer that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Franchisor and Developer shall substitute a valid and enforceable provision for any specification, standard, operating procedure, rule, or other obligation of Developer or Franchisor which is determined to be invalid or unenforceable and is not waived by the other.

(h) **Waivers.** Franchisor and Developer, by written instrument signed by both parties, may unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Developer and no failure, refusal, or neglect of Franchisor or Developer to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard, or operating procedure shall constitute a waiver of any provision of this Agreement or any specification, standard, or operating procedure; provided, however, if a party fails to notify the other in writing of an alleged misrepresentation, violation of law, deficiency, or breach of this Agreement within one (1) year from the date such party has knowledge of, believes, determines, or is of the opinion that there has been a misrepresentation, violation of law, deficiency, or breach by the other party, then the alleged misrepresentation, violation of law, deficiency, or breach will

be considered waived, but such waiver of any prior deficiency or breach of any provision of this Agreement shall not affect the obligation of the party to comply with the obligation or provision in the future; provided, however, that (1) this waiver will not apply to Developer's obligation to meet the Development Schedule or the payment of any fees to Franchisor, and (2) the foregoing shall not otherwise extend or lengthen any statute of limitations provided by applicable law.

(i) **Modifications.** No modification of this Agreement shall be valid unless such modification is in writing and signed by Developer and Franchisor.

(j) **Notices.** All written notices permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered: (1) when delivered by hand; (2) three (3) days after placed in the United States mail by registered or certified mail, return receipt requested, postage prepaid; or (3) one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in the case of delivery under clauses (2) or (3), addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

(k) **Patriot Act Representations.** Developer represents and warrants that to its actual and constructive knowledge: (1) neither it (including its directors, officers, and managers), nor any of its Affiliates, or any funding source for the Franchised Businesses, are identified on the list at the United States Treasury's Office of Foreign Assets Control; (2) neither it nor any of its Affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (3) neither it nor any of its Affiliates is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (4) neither it nor any of its Affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State's Debarred Lists, or on the U.S. Department of Treasury's Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the "Lists"); (5) neither it nor any of its Affiliates, during the Term, will be on any of the Lists; and (6) during the Term, neither it nor any of its Affiliates will sell products, goods, or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. Developer agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

(l) **Variations.** This Agreement is solely between Franchisor and Developer for the development of Franchised Business(es). Developer is aware and fully understands that Franchisor may grant franchise and development agreements to other third parties on terms and conditions which may differ from the terms and conditions set forth in any franchise or development agreement between Franchisor and Developer or its Affiliate and, as such, nothing contained herein or elsewhere grants to Developer or its Affiliates or is any assurance to the Developer or its Affiliates that the terms and conditions contained in any such franchise or development agreement shall be the same or as beneficial as in any other franchise or development agreement granted by Franchisor.

(m) **Entire Agreement.** The introduction and Rider attached hereto are a part of this Agreement, which constitutes the entire agreement of the parties, and at the time of this Agreement, there are no other oral or written understandings or agreements between Franchisor and Developer relating to the development rights, other than any franchise agreements for any Franchised Business; provided, however, nothing in this or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Developer.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If corporation, limited liability company, or partnership:*  
**DEVELOPER:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If individual:*  
**DEVELOPER:**

\_\_\_\_\_  
Name: \_\_\_\_\_

[THIS AGREEMENT CONTINUES WITH RIDER]

**MULBERRYS GARMENT CARE  
DEVELOPMENT RIGHTS AGREEMENT**

**RIDER**

<b>Part 1 (Developer)</b>	
<b>Effective Date:</b>	_____
<b>Developer:</b>	_____
<b>State of Formation/Residency:</b>	_____
<b>Form of Developer:</b> <i>(select one)</i>	<input type="checkbox"/> Corporation <input type="checkbox"/> Limited liability company <input type="checkbox"/> Partnership <input type="checkbox"/> Individual
<b>Address of Developer:</b>	_____ _____ _____
[THIS RIDER CONTINUES WITH PART 2]	

**MULBERRYS GARMENT CARE  
DEVELOPMENT RIGHTS AGREEMENT**

**RIDER**

**Part 2 (Development Schedule)**

**Development Territory:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Development Schedule:** Developer agrees to open \_\_\_\_\_ (\_\_\_\_) Franchised Business(s) within the Development Territory, according to the following Development Schedule:

Outlet Number	Outlet Opening Date	Cumulative Number of Franchised Businesses to be Opened and Operating by the Outlet Opening Date	Format
			<input type="checkbox"/> Cleaning Facility <input type="checkbox"/> Retail Store
			<input type="checkbox"/> Cleaning Facility <input type="checkbox"/> Retail Store
			<input type="checkbox"/> Cleaning Facility <input type="checkbox"/> Retail Store
			<input type="checkbox"/> Cleaning Facility <input type="checkbox"/> Retail Store
			<input type="checkbox"/> Cleaning Facility <input type="checkbox"/> Retail Store
			<input type="checkbox"/> Cleaning Facility <input type="checkbox"/> Retail Store

**Development Rights Fee:**

Total Number to be Developed	Initial Franchise Fee per Franchised Business	Totals
_____ Cleaning Facilities	\$50,000	\$
_____ Retail Stores	\$20,000	\$
<b>Development Rights Fee:</b>		<b>\$</b>

[THIS RIDER CONTINUES WITH PART 3]

**MULBERRYS GARMENT CARE  
DEVELOPMENT RIGHTS AGREEMENT**

**RIDER**

**Part 3 (Signature Page)**

IN WITNESS WHEREOF, the parties have executed this Rider (Parts 1 to 3) as of the Effective Date.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If corporation, limited liability company, or partnership:*  
**DEVELOPER:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If individual:*  
**DEVELOPER:**

\_\_\_\_\_  
Name: \_\_\_\_\_

**MULBERRYS GARMENT CARE  
DEVELOPMENT RIGHTS AGREEMENT**

**STATEMENT OF OWNERSHIP AND MANAGEMENT**

The undersigned Developer ("Developer") represents and warrants to MULBERRYS FRANCHISING, LLC ("Franchisor") that as of the date set forth below all of the information below is true and complete:

<b>Ownership</b> <i>(Each owner must sign a Guaranty)</i>		
<b>NAME OF OWNER</b>	<b>NO. OF SHARES/UNITS OWNED</b>	<b>OWNERSHIP PERCENTAGE</b>
		%
		%
		%
		%

<b>Management</b> <i>(List each individual holding a position as board-member or officer)</i>	
<b>NAME OF INDIVIDUAL</b>	<b>ROLE/TITLE</b>

Developer acknowledges that this Statement of Ownership and Management applies to the Mulberrys Garment Care Development Rights Agreement. Developer shall immediately notify Franchisor upon any change in the information contained in this Statement of Ownership and Management, and upon request of Franchisor, complete an updated or new Statement of Ownership and Management and Guaranty executed by all owners of Developer.

*If corporation, limited liability company, or partnership:*  
**DEVELOPER:**

\_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*If individual:*  
**DEVELOPER:**

\_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

**GUARANTY**

IN CONSIDERATION of the grant by MULBERRYS FRANCHISING, LLC ("Franchisor") of Mulberrys Garment Care development rights to the party named as Developer ("Developer") in the Development Rights Agreement to which this Guaranty is attached (the "Development Rights Agreement"), and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby guarantee (jointly and severally with one another and all other guarantors of Developer, whether such guaranties are entered into prior to or after the date hereof) to Franchisor and to Franchisor's successors and assigns: (a) the payment of all costs and fees required to be paid to Franchisor or its affiliates by Developer under the Development Rights Agreement, and (b) the performance by Developer of all its obligations under the Development Rights Agreement. The undersigned further specifically agree to remain individually bound by all covenants, obligations, and commitments of Developer contained in the Development Rights Agreement to the same extent as if each of the undersigned had individually been named as Developer in the Development Rights Agreement, and the undersigned had individually executed the Development Rights Agreement.

The undersigned understand and agree that any modification of the Development Rights Agreement, including any addendum or addenda thereto, or waiver by Franchisor of the performance by Developer of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Developer thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Development Rights Agreement, including any addendum or addenda thereto, shall not in any way release the undersigned from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Developer is so released, terminated, affected, or diminished. Notice to the undersigned of any such modification, waiver, extension, or forbearance under the terms thereof being hereby waived.

The undersigned further understand and agree that no bankruptcy or reorganization of Developer shall release or otherwise affect the obligations of the undersigned to pay all costs and fees provided for in the Development Rights Agreement, or otherwise owing to Franchisor or its affiliates, and to perform all the provisions of the Development Rights Agreement, nor does the same release the undersigned from being individually bound to perform all covenants, obligations, and commitments of Developer contained in the Development Rights Agreement to the same extent as if each of the undersigned had individually executed the Development Rights Agreement.

This Guaranty shall be enforceable upon ten (10) days' written notice by Franchisor to any of the undersigned of any default by Developer of any of its covenants under the terms of the Development Rights Agreement and addendum or addenda thereto. The undersigned hereby waive any and all notice of default on the part of Developer; waive exhausting of recourse against Developer; and consent to any assignment of the Development Rights Agreement, in whole or in part, that Franchisor or its assignees may make. This Guaranty shall be a continuing Guaranty and may not be revoked without the prior written consent of Franchisor. This Guaranty shall apply to all agreements referenced in this Guaranty, to the renewal of all such agreements, and to any successor agreements thereto.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

**ADDENDUM TO  
MULBERRYS GARMENT CARE DEVELOPMENT RIGHTS AGREEMENT  
FOR THE  
STATE OF CALIFORNIA**

Notwithstanding anything to the contrary set forth in the Mulberrys Garment Care Development Rights Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Mulberrys Garment Care franchises offered and sold or operated in the State of California.

This California Addendum is only applicable if Developer is a resident of California or if Developer's business(es) will be located in California.

1. Based upon the Franchisor's financial condition, the California Department of Financial Protection and Innovation has required a financial assurance. Therefore, the Development Rights Fees owed by Developer shall be deferred until the Franchisor completes its pre-opening obligations under the Development Rights Agreement.
2. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning termination, transfer and nonrenewal of the Development Rights Agreement and certain provisions of the Development Rights Agreement relating to termination, transfer and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Development Rights Agreement and Developer's relationship with Franchisor, including the areas of termination and renewal of the franchise. If the Development Rights Agreement is inconsistent with the law, the law will control.
3. The Development Rights Agreement requires application of the laws and forum of Florida. This provision may not be enforceable under California law.
4. The provision in the Development Rights Agreement which terminates the franchise upon the bankruptcy of the Developer may not be enforceable under Title 11, United States Code, Section 101.
5. The Development Rights Agreement requires binding arbitration as stated in the Franchise Agreement. The arbitration will occur at the office of the American Arbitration Association in Miami, Florida. Developer will bear all costs of arbitration if Franchisor secures any relief against Developer in the arbitration, or are successful in defending a claim Developer brings against Franchisor in the arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Relations Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If corporation, limited liability company, or partnership:*  
**DEVELOPER:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If individual:*  
**DEVELOPER:**

\_\_\_\_\_  
Name: \_\_\_\_\_

**ADDENDUM TO  
MULBERRYS GARMENT CARE DEVELOPMENT RIGHTS AGREEMENT  
FOR THE  
STATE OF MINNESOTA**

Notwithstanding anything to the contrary set forth in the Mulberrys Garment Care Development Rights Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Mulberrys Garment Care franchises offered and sold in the State of Minnesota or if the Mulberrys Garment Care business will be located in the State of Minnesota.

1. Minnesota Statutes, Section 80C.21, and Minnesota Rules 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Developer to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Area Development Agreement can abrogate or reduce (a) any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C; or (b) Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statutes, Section 80C.14, subd. 3-5, which require (except in certain specified cases) (a) that Developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Area Development Agreement; and (b) that consent to the transfer of the franchise will not be unreasonably withheld.
3. Minnesota Rules 2860.4400(D) prohibits Franchisor from requiring Developer to assent to a general release.
4. Developer cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. Area Development Agreement, Section 7(i), is revised to comply with Minnesota Statutes, Section 80C.17, subd. 5.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes, Chapter 80C, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If corporation, limited liability company, or partnership:*  
**DEVELOPER:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*If individual:*  
**DEVELOPER:**

\_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT H**  
**ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION**

**ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION**

Franchisee: \_\_\_\_\_  
Location: \_\_\_\_\_  
Date: \_\_\_\_\_

Attention:       Accounting

The undersigned has entered into a Franchise Agreement with Mulberrys Franchising, LLC (the "Franchise Agreement"), and authorizes Mulberrys Franchising, LLC ("Franchisor") or any of its affiliated entities, to initiate one-time, weekly, and/or monthly ACH debit and credit entries against the account of the undersigned with you in payment of amount for ongoing royalty fees, advertising fees, and other amounts that become due and payable by the undersigned to Franchisor or any affiliate pursuant to the Franchise Agreement or any other agreement between the undersigned and Franchisor or any affiliate. The dollar amount to be debited per payment and credited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit and credit entry initiated by Franchisor.

This authorization is binding, and will remain in full force and effect until ninety (90) days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit and credit entries pursuant to this letter of authorization.

Please honor ACH debit and credit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit and credit entries.

Sincerely,

By: \_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Account Name

\_\_\_\_\_  
Bank Name

\_\_\_\_\_  
Customer Street Address

\_\_\_\_\_  
Branch

\_\_\_\_\_  
City                               State    Zip Code

\_\_\_\_\_  
Bank Street Address

\_\_\_\_\_  
Customer Phone Number

\_\_\_\_\_  
City                               State    Zip Code

\_\_\_\_\_  
Customer's Account Number

\_\_\_\_\_  
Bank Phone Number

\_\_\_\_\_  
Bank's Account Number

\_\_\_\_\_  
Bank Routing/ABA Number

**EXHIBIT I  
FRANCHISEE QUESTIONNAIRE**

## FRANCHISE QUESTIONNAIRE

**If you are a resident of the State of California or your franchise is located in California you are not required to sign this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.**

The purpose of this **FRANCHISE QUESTIONNAIRE** is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate, or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Have you received and personally reviewed our Franchise Agreement and any attachments to it?  
**Yes:**       **No:**
  
2. Have you received and personally reviewed our Franchise Disclosure Document (“FDD”)?  
**Yes:**       **No:**
  
3. Did you sign a Receipt for the FDD indicating the date you received it?  
**Yes:**       **No:**
  
4. Have you discussed the benefits and risks of purchasing a Mulberrys Garment Care franchise with an attorney, accountant, or other professional advisor?  
**Yes:**       **No:**   
  
If “No,” do you wish to have more time to do so?  
**Yes:**       **No:**
  
5. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits, or operating costs of a Mulberrys Garment Care franchise?  
**Yes:**       **No:**
  
6. Has any employee or other person speaking on our behalf made any statement (other than the information contained in Item 19 of the FDD), or any promise regarding the amount of money you may earn in operating a Mulberrys Garment Care franchise?  
**Yes:**       **No:**
  
7. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Mulberrys Garment Care franchise?  
**Yes:**       **No:**
  
8. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the training or support service or other assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?  
**Yes:**       **No:**



### **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:

<b>State</b>	<b>Effective Date</b>
California	Pending
Minnesota	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Mulberrys 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. Michigan requires that Mulberrys Franchising, LLC gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first. New York requires you to receive this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If Mulberrys 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, DC 20580, and the appropriate state agency identified on Exhibit B.

The franchisor is Mulberrys Franchising, LLC, 126 Macfarlane Drive, Delray Beach, Florida 33483. Its telephone number is 877-814-5421. The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Dan Miller, 126 Macfarlane Drive, Delray Beach, Florida 33483, 877-814-5421

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**Issuance Date:** April 14, 2025

Mulberrys Franchising, LLC authorizes the respective parties identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document with an Issuance Date of April 14, 2025, that included the following Exhibits:

- Exhibit A. State Specific Addenda to Disclosure Document
- Exhibit B. List of State Agencies and Agents for Service of Process
- Exhibit C. Table of Contents of Operations Manual
- Exhibit D. List of Outlets
- Exhibit E. Financial Statements
- Exhibit F. Franchise Agreement, Cleaning Facility Addendum to Franchise Agreement, Statement of Ownership and Management, Guaranty, General Release, Transfer Form, and State Specific Addenda to Franchise Agreement
- Exhibit G. Development Rights Agreement, Statement of Ownership and Management, Guaranty, and State Specific Addenda to Development Rights Agreement
- Exhibit H. Electronic Transfer of Funds Authorization
- Exhibit I. Franchisee Questionnaire

Indicate the date on which you received this Disclosure Document, sign, indicate the date you signed this Receipt, and promptly return one completed copy of the Receipt to Mulberrys Franchising, LLC, at 126 Macfarlane Drive, Delray Beach, Florida 33483. Keep the second copy of the Receipt for your records.

\_\_\_\_\_  
Date Disclosure Document Received

\_\_\_\_\_  
Prospective Franchisee's Signature

\_\_\_\_\_  
Date Receipt Signed

\_\_\_\_\_  
Print Name

Address: \_\_\_\_\_  
\_\_\_\_\_

**RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Mulberrys 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. Michigan requires that Mulberrys Franchising, LLC gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first. New York requires you to receive this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If Mulberrys 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, DC 20580, and the appropriate state agency identified on Exhibit B.

The franchisor is Mulberrys Franchising, LLC, 126 Macfarlane Drive, Delray Beach, Florida 33483. Its telephone number is 877-814-5421. The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Dan Miller, 126 Macfarlane Drive, Delray Beach, Florida 33483, 877-814-5421

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Print Name

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