FRANCHISE DISCLOSURE DOCUMENT

Decor Group Franchising LLC
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This franchise is for the operation of a specialty event and decorating service offering Holiday Lighting Services operated as "Christmas Decor" ("CHRISTMAS DECOR Franchised Business").

The total investment necessary to begin operation of a CHRISTMAS DECOR Franchised Business ranges from $21,550 to $116,250. This includes $9,400 to $75,900 that must be paid to the franchisor or its affiliates.

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 franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Recruitment at 301 SE Loop 289, Lubbock, Texas 79404, (806) 722-1225 or toll free (800) 687-9551.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Date of Issuance: December 19, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit K.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Christmas Decor business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be Christmas Decor franchisee?	Item 20 or Exhibit K list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

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

5. **Sales Performance Requirement.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

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.

DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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

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

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

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

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

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

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Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

The Franchisor is Decor Group Franchising LLC. To simplify the language in this Disclosure Document Decor Group Franchising LLC is referred to as "we", "us", "our" or "franchisor". "You" means the person, partnership, corporation, limited liability company or other entity who buys the franchise.

Franchisor, Parents, and Affiliates

We conduct business under the names Decor Group Franchising LLC, The Decor Group, Christmas Decor and Nite Time Decor. Our principal business address is 2301 Crown Court, Irving, Texas 75038 with Franchise Support located at 301 SE Loop 289, Lubbock, Texas 79404. We are a Delaware limited liability company that was formed on October 23, 2024. We do not do business under any other name. We do not currently operate businesses of the type being franchised. We have never offered franchises in any other line of business and we do not engage in any other line of business.

Our immediate parent company is Decor Group HoldCo LLC ("HoldCo"), a Delaware limited liability company that was formed on October 23, 2024, and has a principal business address of 2301 Crown Court, Irving, Texas 75038. HoldCo's parent company is Wonder Franchises, LLC, a Delaware limited liability company formed on January 25, 2023, and has a principal business address of 4 Kara Ann Drive Framingham, MA 01701.

We do not have any affiliates that are required to be disclosed in this disclosure document.

Agent for Service of Process

Our agents for service of process in the states which require franchise registration are listed in Attachment B. Our agent for service of process in all other states is our CEO Brandon Stephens.

Predecessors and Prior Experience

On November 13, 2024, we acquired the franchise-related assets of the DECOR GROUP and CHRISTMAS DECOR franchise system (the "Transaction"). Prior to the Transaction, The Decor Group, Inc. ("TDGI"), a Texas corporation that was formed on February 19, 2002, was the franchisor of THE DECOR GROUP and CHRISTMAS DECOR franchise system. Immediately prior to the Transaction, TDGI and its affiliate American Christmas Light and Supply, Inc. ("ACLS") merged. ACLS is a Texas corporation formed in December 1997. Both TDGI and ACLS had a principal place of business at 2301 Crown Court, Irving, Texas 75038. TDGI and ACLS are collectively referred to as our "Predecessor". Predecessor never operated a holiday lighting business or a landscape lighting or permanent lighting business and has never offered franchises in any line of business.

Predecessor began operating in the Texas Panhandle in 1984 as Quality Lawn Care and provided Christmas lighting and decorating services to generate additional revenue in the slow winter months. The business later added landscape lighting as an additional service. Quality Lawn Care was incorporated in Texas in 1992 as Quality Lawn Care Corporation. On February 19, 2002, the name "Quality Lawn Care Corporation" was changed to "The Decor Group, Inc.".

On September 3, 1996, its owners incorporated Christmas Decor, Inc. ("CDI") in Texas. From 1996 until March 31, 2012 ("Merger Date") CDI offered franchises for CHRISTMAS DECOR Franchised Businesses.

Its owners incorporated Nite Time Decor, Inc. ("NTD") in Texas on May 5, 1999. From August 1999 until the Merger Date, NTD offered franchises for NITE TIME DECOR Franchised Businesses. CDI and NTD shared Predecessor's principal business address. On the Merger Date, CDI and NTD were merged into TDGI, and TDGI was the surviving entity. In November 2024, TDGI and ACLS also merged, with ACLS as the surviving entity. Predecessor offered franchises for Christmas Decor Franchised Businesses from July 16, 2012 to November 12, 2024. From July 16, 2012 until March 31, 2013 Predecessor also offered franchises for Nite Time Decor Franchised Businesses.

As Quality Lawn Care, Predecessor operated a Christmas lighting and decorating business and a landscape lighting business.

From January 1999 (before it was incorporated) to December 2000, NTD operated a landscape lighting business; CDI did not directly operate a Christmas lighting and decorating business. During the period of their existence, neither CDI nor NTD offered franchises in any other line of business and did not engage in any other line of business.

The Business We Offer

We offer qualified applicants the opportunity to purchase a CHRISTMAS DECOR Franchised Business.

The term "Franchised Business" refers to CHRISTMAS DECOR Franchised Business as the context requires. The terms "System" and "Marks" may refer to the CHRISTMAS DECOR System and CHRISTMAS DECOR Marks as the context requires.

We offer franchises for the operation of a special event and holiday and Christmas lighting and decorating service within a specific geographic Territory under the Christmas Decor trademarks and business system (the "CHRISTMAS DECOR System"). Customers want high quality lighting displays at their homes and businesses during the Christmas season and for other special events.

You will develop and train personnel to sell and deliver Christmas Decor approved products and services to local customers and operate and maintain a local office of the Christmas Decor franchise network. You must operate under the trade names, service marks, trademarks and related logos that we prescribe, including the trademark "Christmas Decor®" ("CHRISTMAS DECOR Marks") and must display the Christmas Decor logo at your business location, on your signs, vehicles, uniforms, and on any marketing materials you use to solicit holiday lighting and decorating services.

When you purchase the Franchised Business, you will sign our form of standard Franchise Agreement, attached to this disclosure document as Exhibit A ("Franchise Agreement" or "Agreement"). We also offer an Option Agreement (Exhibit B to this Disclosure Document) which allows you to reserve rights to acquire a specific Territory for a period of time if you pay an option fee. We also offer the option to purchase a Christmas Decor Franchised Business for a Standard Market Service Territory (which is a territory with a base population greater than 100,000) or a Community Market Service Territory (which is a territory with a base population less than 100,000).

Frequently (although not always) we sell Christmas Decor franchises to people who operate an existing business like a landscape business or a similar business. We call these existing, related businesses an "other business" and we acknowledge those other businesses when we enter into the Franchise Agreement to make it clear that they do not violate the restrictive covenants under the Franchise Agreement.

Your competitors include local lighting display installers, other national distributorships and retailers who sell similar products and services. In some areas electrical contractors may also sell and install either line voltage or low voltage landscape lighting. Sales made by our Franchised Businesses to customers are generally seasonal in nature, with most sales occurring between the months of October through January, particularly for holiday and Christmas lighting and decorating services, but the Franchised Businesses still operate year-round.

Applicable Regulation

Some states may require special licenses, training and/or apprenticeships to install holiday, event, and decorating lighting or landscape lighting. You should check with state, county and municipal agencies to determine the licensing requirements that may apply to the operation of the Franchised Business and should consider these laws and regulations when evaluating your purchase of a franchise. In addition, many of the laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Federal Wage and Hour Laws and the Occupation, Health and Safety Act, also apply to the Franchised Business.

Item 2

BUSINESS EXPERIENCE

BRANDON STEPHENS, Chief Executive Officer, Chief Operating Officer, and Secretary

Mr. Stephens has been our CEO, COO, and Secretary since November 2024. Mr. Stephens had also been the President, COO, and Secretary of our predecessor The Decor Group, Inc. in Irving, Texas from February 2012 to November 2024. He also served as President, Chief Operating Officer and Secretary of American Christmas Light and Supply, Inc. in Irving, Texas from February 2012 to November 2024.

ADAM LEWIN, President – Wonder Franchise

Mr. Lewin has been our President since November 2024, and is located in Framingham, MA. Mr. Lewin has also been Chief Executive Officer of our parent, Wonder Franchises, LLC in Framingham, MA since May 2024. Prior to these roles, Mr. Lewin was the Chief of Staff to Managing Partner of Tucker's Farm LLC in Framingham, MA from January 2023 to April 2024, an MBA candidate at Harvard Business School in Cambridge, MA from September 2021 to May 2023, and a Manager of College Scouting for the Boston Celtics in Boston, MA from July 2019 to April 2021.

Item 3

LITIGATION

Franchisor's Disclosures

None.

Predecessor's Disclosures

Consent Order

Securities Commissioner, State of Maryland (Case No. 2003-0866). On March 2, 2004, Christmas Decor, Inc. ("CDI") entered into a Consent Order with the Maryland Securities Commissioner (Case No. 2003-0866). The State alleged that CDI had offered franchises in Maryland in violation of the Maryland Franchise Registration and Disclosure Laws. Without admitting or denying the allegations, CDI agreed that it would not offer or sell franchises in Maryland in violation of the State's franchise registration laws. Pursuant to the Consent Order, CDI implemented franchise law compliance procedures, enrolled certain officers and employees in a franchise law compliance training program and agreed to offer rescission to three franchisees.

Other than this matter, nothing else is required to be disclosed in this Item

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

Option Fee

If you purchase an Option Agreement, the initial option fee is $1,000 and is payable when you sign the Option Agreement. If you sign an Option Agreement, you may reserve a Territory for the option period specified in the Option Agreement. we will credit the option fee against your initial franchise fee if you purchase a franchise before the Option Agreement expires.

Initial Franchise Fee

The initial franchise fee is determined before you sign the Franchise Agreement and includes a fixed base fee and a territory fee. The territory fee is determined by a number of factors, including the size and type of territory granted, the number of residential households in the territory and other demographic data.

The Initial Franchise Fee may vary according to the size and type of your Territory. The amount of the Initial Franchise Fee is determined as follows:

Standard Market Service Territory. The base fee is $15,900 plus a territory fee ranging from $1,500 to $60,000 for a territory with a base population greater than 100,000.

Community Market Service Territory. The base fee is $7,900 plus a territory fee ranging from $1,500 to $20,000 for a territory with a base population less than 100,000.

All Initial fees and payments are deferred until such time as you have opened for business.

Refunds

All initial fees are non-refundable, except that (i) we will credit the option fee against your initial franchise fee if you purchase a franchise before the Option Agreement expires, and (ii) we will refund the initial franchise fee (less our expenses) if we terminate the Franchise Agreement because you fail to satisfactorily complete the Quick Start training program. Initial franchise fees may not be the same for all franchisees but are determined uniformly. No refunds are available under any other circumstances.

Item 6

OTHER FEES

Type Of Fee	Amount	Due Date	Remarks
Holiday Lighting Services Royalty Fee Standard Market Territory	All Franchise Years – 5% of annual Gross Sales attributable to Holiday Lighting Services Franchise Years 2 through 5 Minimum based on previous Franchise Year's Gross Sales attributable to Holiday Lighting Services Gross Sales from Holiday Lighting Services $0-$100,000: Greater of $3,050 annually ($250/month February – September; $350/month October - December) or 5% of annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services $100,001-$150,000: Greater of $3,950 annually ($250/month February – September; $650/month October - December) or 5% of annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services $150,001-$200,000: Greater of $5,000 annually ($250/month February – September; $1,000/month October - December) or 5% of annual Gross Sales from Holiday Lighting Services	First Franchise Year By January 20 of the year following the First Franchise Year. Franchise Years 2 through 5 Each February 1 through December 1, 11 monthly remittances based on the Minimum Royalty, with an annual reconciliation in January of the year following the close of the applicable Franchise Year.	See Note 1.A.

Type Of Fee	Amount	Due Date	Remarks
	Gross Sales from Holiday Lighting Services greater than $200,000: Greater of $6,950 annually ($250/month February – September; $1,650/month October - December) or 5% of annual Gross Sales from Holiday Lighting Services		
Holiday Lighting Services Royalty Fee Community Market Territory	All Franchise Years – 5% of annual Gross Sales attributable to Holiday Lighting Services Franchise Years 2 through 5 Minimum based on previous Franchise Year's Gross Sales attributable to Holiday Lighting Services Gross Sales from Holiday Lighting Services $0-$100,000: Greater of $2,750 annually ($250/month February – September; $250/month October - December) or 5% of annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services $100,001-$150,000: Greater of $3,050 annually ($250/month February – September; $350/month October - December) or 5% of annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services $150,001-$200,000: Greater of $3,500 annually ($250/month February – September; $500/month October - December) or 5% of	First Franchise Year By January 20 of the year following the First Franchise Year. Franchise Years 2 through 5 Each February 1 through December 1, 11 monthly remittances based on the Minimum Royalty, with an annual reconciliation in January of the year following the close of the applicable Franchise Year.	See Note 1.B.

Type Of Fee	Amount	Due Date	Remarks
	annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services greater than $200,000: Greater of $4,250 annually ($250/month February – September; $750/month October - December) or 5% of annual Gross Sales from Holiday Lighting Services		
Marketing Development Fund (MDF) Contribution – Standard Market Territory	First Franchise Year – 1% of annual Gross Sales attributable to Holiday Lighting Services Franchise Years 2 through 5 Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services Gross Sales from Holiday Lighting Services $0-$100,000: Greater of $640 annually ($50/month February – September; $80/month October - December) or 1% of annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services $100,001-$150,000: Greater of $850 annually ($50/month February – September; $150/month October - December) or 1% of annual Gross Sales from Holiday Lighting Services	First Franchise Year By January 20 of the year following the First Franchise Year. Franchise Years 2 through 5 Each February 1 through December 1, 11 monthly payments based on the Minimum MDF Contribution, with an annual reconciliation in January of the year following close of the applicable Franchise Year.	The Marketing Development Fund is used to market, advertise and promote Holiday Lighting Services See Note 1.C. If we recommend and 51% of franchisees in good standing approve an increase, we may raise your MDF Contribution.

Type Of Fee	Amount	Due Date	Remarks
	Gross Sales from Holiday Lighting Services $150,001-$200,000: Greater of $1,000 annually ($50/month February – September; $200/month October - December) or 1% of annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services greater than $200,000: Greater of $1,150 annually ($50/month February – September; $250/month October - December) or 1% of annual Gross Sales from Holiday Lighting Services		
Marketing Development Fund (MDF) Contribution – Community Market Territory	First Franchise Year – 1% of annual Gross Sales attributable to Holiday Lighting Services Franchise Years 2 through 5 Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services Gross Sales from Holiday Lighting Services $0-$100,000: Greater of $550 annually ($50/month February – September; $50/month October - December) or 1% of annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services $100,001-$150,000: Greater of $640 annually ($50/month February – September; $80/month October - December) or	First Franchise Year By January 20 of the year following the First Franchise Year. Franchise Years 2 through 5 Each February 1 through December 1, 11 monthly payments based on the Minimum MDF Contribution, with an annual reconciliation in January of the year following close of the applicable Franchise Year.	The Marketing Development Fund is used to market, advertise and promote Holiday Lighting Services See Note 1.D. If we recommend and 51% of franchisees in good standing approve an increase, we may raise your MDF Contribution

Type Of Fee	Amount	Due Date	Remarks
	1% of annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services $150,001-$200,000: Greater of $700 annually ($50/month February – September; $100/month October - December) or 1% of annual Gross Sales from Holiday Lighting Services Gross Sales from Holiday Lighting Services greater than $200,000: Greater of $850 annually ($50/month February – September; $150/month October - December) or 1% of annual Gross Sales from Holiday Lighting Services		
Promotional Programs	Currently, none	As required	If a majority of franchisees approve a national, regional or local advertising or promotional program, you must participate and pay the associated costs
Local or Regional Advertising Materials	Reasonable charge Estimates range from 2% - 8% of gross sales for each franchise year	When invoiced	We may create or develop creative materials for local or regional advertising and provide them to you for a reasonable charge.
Transfer Fee	$2,500	On transfer	Your buyer must also pay our then-current start up fee (now, $2,500) for Quick Start training, literature and marketing materials. See Item 17
Additional or Refresher Training, Conferences and Seminars	Additional or Refresher Training – our then-current fee (currently $399), plus reimbursement of our costs. Note 2.	When attending	You must attend 1 regional training and 2 conferences during the 5 year term of your Agreement, 1 of which must be in year 2. If you do not, you must review conference / continuing education materials in an

Type Of Fee	Amount	Due Date	Remarks
	Conferences and Seminars – reasonable fee plus your out-of-pocket costs. Note 3.		online training program and may be charged a cost to access (currently $850). As part of your initial franchise fee, you will receive credit for 1 conference registration in your first franchise year. See Note 3.
Renewal Fee	$2,000	On renewal	See Item 17
Software License Annual Renewal Fee	Light Right Cloud $1,897 – Essentials program $2,395 – Plus program $4,389 – Enterprise program By August 1st	See Note 4	
Termination Fee	Lump sum payment of up to 24 months' minimum Holiday Lighting Services Royalty Fees	Upon termination	When we terminate you for cause or you terminate without cause. Note 5.
Annual Royalty Late Payment/ Reporting Fee	$500 per occurrence plus $50 late fee for each month reporting and/or payment or remittance is delinquent	When required	Payable when annual Gross Sales are not reported or year-end royalties are not remitted by January 20. We may also charge interest or terminate the Franchise Agreement if you fail to remit payment. This is in lieu of the general late fee described below.
Interest on past due amount	Lesser of 1.5% per month or the maximum legal rate from the due date of the invoice	When required	Payable if payments or remittances are made after the due date
Late Fee	$50 for each month payment or remittance is delinquent	When required	Payable only when payments or remittances are late. This general late fee does not apply when the Annual Reporting Late Payment / Reporting Fee applies.
Audit Administration Fee and Costs	$3,000, plus our actual audit costs	When invoiced	Payable if an audit shows you have understated Gross Sales. If you have understated Gross Sales you must remit any additional fees owed, plus interest. If the understatement is 2% or more, or if you fail to provide access to the

Type Of Fee	Amount	Due Date	Remarks
			required books, records, accounts and inventory, you must also pay our audit costs, any associated costs, and an audit administration fee of $3,000.
Product Testing Costs	Reasonable charge Estimates range from $100 - $1,000 for each test required	As required	When you wish to purchase product from an unapproved supplier, you or the supplier must pay the cost of any required testing by us. See Item 8
Enforcement costs	Actual Costs	On demand	The prevailing party in a legal action may recover attorney's fees and court costs. If we seek and secure an injunction or specific performance for your violation of the Agreement, you must pay our costs.
Indemnification costs	Actual Costs	On demand	You must indemnify us if we incur losses based on your actions.

Notes to Item 6

* You pay all fees to us and all fees are uniformly imposed, unless otherwise noted. All fees are non-refundable.

Note 1
Royalty Fee

Note 1.A.
Holiday Lighting Services Royalty Fee – Standard Market

All statements in Note 1.A. apply to a Standard Market Territory.

The First Franchise Year begins on the Effective Date of the Franchise Agreement and ends December 31 of that calendar year. Subsequent Franchise Years begin on the first day of January and end on the last day of December of each calendar year.

Except for the First Franchise Year, when Holiday Lighting Services Royalty Fee remittances are made annually, the Minimum Holiday Lighting Services Royalty Fee is remitted in monthly payments throughout each Franchise Year. Minimum Holiday Lighting Services Royalties are calculated, following the close of each Franchise Year based on actual annual Gross Sales attributable to Holiday Lighting Services and any excess Holiday Lighting Services Royalty Fee due must be reported and remitted by January 20. The Minimum Holiday Lighting Services Royalty Fee for each Franchise Year is based on the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services. Monthly Minimum Holiday Lighting Services Royalty Fee remittances are determined as follows: If the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services are from $0 to $100,000 you must remit 8 payments of $250 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $350. If the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services are from $100,001 to $150,000 you must remit 8 payments of $250 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $650. If the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services are from $150,001 to $200,000 you must remit 8 payments of $250 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $1,000. If the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services are greater than $200,000 you must remit 8 payments of $250 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $1,650. All Holiday Lighting Services Royalty Fee remittances must be made by automatic bank draft or credit card.

"**Gross Sales**" means all revenues from the sale of Christmas, holiday, special event and celebration lighting and decoration services and products of any nature or kind relating to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit; provided however that "Gross Sales" shall not include any sales tax or other taxes collected by the Franchised Business and paid to the appropriate taxing authority. "Gross Sales attributable to Holiday Lighting Services" shall mean all Gross Sales of the Franchised Business derived from the provision of Holiday Services.

Ongoing inventory and equipment costs are estimates. The actual dollar amount purchased is at the sole discretion of the franchisee based on the amount of gross sales goals each owner has for a given Franchise Year.

Note 1.B
<u>Holiday Lighting Services Royalty Fee – Community Market</u>

All statements in Note 1.B. apply to a Community Market Territory.

The First Franchise Year begins on the Effective Date of the Franchise Agreement and ends December 31 of that calendar year. Subsequent Franchise Years begin on the first day of January and end on the last day of December of each calendar year.

Except for the First Franchise Year, when Holiday Lighting Services Royalty Fee remittances are made annually, the Minimum Holiday Lighting Services Royalty Fee is remitted in monthly payments throughout each Franchise Year. Minimum Holiday Lighting Services Royalties are calculated, following the close of each Franchise Year based on actual annual Gross Sales attributable to Holiday Lighting Services and any excess Holiday Lighting Services Royalty Fee due must be reported and remitted by January 20. The Minimum Holiday Lighting Services Royalty Fee for each Franchise Year is based on the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services. Monthly Minimum Holiday Lighting Services Royalty Fee remittances are determined as follows: If the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services are from $0 to $100,000 you must remit 8 payments of $250 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $250. If the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services are from $100,001 to $150,000 you must remit 8 payments of $250 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $350. If the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services are from $150,001 to $200,000 you must remit 8 payments of $250 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to

$500. If the previous Franchise Year's annual Gross Sales attributable to Holiday Lighting Services are greater than $200,000 you must remit 8 payments of $250 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $750. All Holiday Lighting Services Royalty Fee remittances must be made by automatic bank draft or credit card.

"**Gross Sales**" means all revenues from the sale of Christmas, holiday, special event and celebration lighting and decoration services and products of any nature or kind relating to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit; provided however that "Gross Sales" shall not include any sales tax or other taxes collected by the Franchised Business and paid to the appropriate taxing authority. "Gross Sales attributable to Holiday Lighting Services" shall mean all Gross Sales of the Franchised Business derived from the provision of Holiday Services.

Note 1.C.
MDF Contribution – Standard Market Territory

All statements in Note 1.C. apply to a Standard Market Territory.

MDF Contributions are used to market, advertise and promote Holiday Lighting Services. Except for the First Franchise Year when MDF Contributions are made annually, Minimum MDF Contributions are paid monthly throughout each Franchise Year, February through December. MDF Contributions are calculated following the close of the Franchise Year based on actual annual Gross Sales attributable to the Holiday Lighting Business, and any excess MDF Contribution due must be reported and paid by January 20. The MDF Contribution for each Franchise Year is based on the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business. Monthly Minimum MDF Contributions are determined as follows: If the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business are from $0 to $100,000 you must remit 8 payments of $50 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $80. If the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business are from $100,001 to $150,000 you must remit 8 payments of $50 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $150. If the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business are from $150,001 to $200,000 you must remit 8 payments of $50 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $200. If the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business are greater than $200,000 you must remit 8 payments of $50 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $250. All MDF Contributions must be made by automatic bank draft or credit card.

Note 1.D.
MDF Contribution – Community Market Territory

All statements in Note 1.D. apply to a Community Market Territory.

MDF Contributions are used to market, advertise and promote Holiday Lighting Services. Except for the First Franchise Year when MDF Contributions are made annually, Minimum MDF Contributions are paid monthly throughout each Franchise Year, February through December. MDF Contributions are calculated following the close of the Franchise Year based on actual annual Gross Sales attributable to the Holiday Lighting Business, and any excess MDF Contribution due must be reported and paid by January 20. The MDF Contribution for each Franchise Year is based on the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business. Monthly Minimum MDF Contributions are determined as follows: If the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business are from $0 to $100,000 you must remit 8 payments of $50 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $50. If the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business are from $100,001 to $150,000 you must remit 8 payments of $50 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $80. If the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business are from $150,001 to $200,000 you must remit 8 payments of $50 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $100. If the previous Franchise Year's annual Gross Sales attributable to the Holiday Lighting Business are greater than $200,000 you must remit 8 payments of $50 each on the first day of each month beginning February 1 through September 1 and remit 3 final payments on October 1, November 1 and December 1, each equal to $150. All MDF Contributions must be made by automatic bank draft or credit card.

Note 2
<u>Additional or Refresher Training Fees</u>

If you reasonably request training in addition to the standard training we provide or we require you to attend a refresher training seminar, we will, at our option, provide additional training to you for our then-current training fee (currently $399), plus reimbursement of all expenses, including training fees, travel, lodging, meals and other related costs.

We will make 1 introductory training program available for up to 3 attendees at no charge during the first 24 months of the Franchise Agreement.

Note 3
<u>Continuing Training, Conferences and Seminars</u>

The conference and continuing education fees are based upon estimates of what will be required to offset our actual costs. You must also pay your transportation, lodging and related costs. Your initial franchise fee includes a credit for 1 complimentary conference registration for 1 person at an annual conference held during the first 18 months of the initial term of the Franchise Agreement. This conference must be attended prior to your 2nd decorating season.

You must attend 1 regional continuing education class and 2 annual conferences during the 5 year initial term and any renewal term of this Agreement, 1 of which must be attended during your 2nd franchise year. If you attend the annual conference in your 2nd franchise year you must also attend the designated refresher course, for 2nd-year franchisees, in conjunction with the conference. We recommend attending all new training available to further broaden your knowledge to better serve your customers. If you do not attend as required, you must review conference/continuing education materials in an online program provided by us and may be charged a cost to access (currently $850). If you have missed more than 1 continuing education class or annual conference during the term of your Franchise Agreement, you must attend an additional continuing education "refresher course", at your expense, as a condition to renewal.

Note 4
<u>Software License Fee</u>

We have developed proprietary software for the Christmas Decor Franchised Business which will aid you in the operation of your business. The initial franchise fee includes the cost to license the software Essentials program and the technical support for the First Franchise Year. After the First Franchise Year, you must purchase a license each year on or before August 1. The annual fees currently range from $1,897 to $4,389 depending on the plan you choose.

Note 5
Termination Fee

If we terminate the Franchise Agreement based on your default or if you terminate the Franchise Agreement without cause you must pay to us, as liquidated damages, a termination fee in a lump sum payment in the amount of the minimum Royalty Fees due for the 24 month period following termination or the remaining term of the Franchise Agreement, whichever is less.

Note 6
Method of Payment of Fees

You must agree to sign an “Automatic Draft Agreement” or “Credit Card Agreement” which allows us to arrange with your financial institution or credit card company to honor drafts we submit for payment or remittance. When payments or remittances are due a draft will be submitted for an amount equal to your royalty fee and MDF contribution.

Except as noted in the preceding chart, all fees and expenses described in this Item 6 are non-refundable, are imposed by, and are payable to us. Except as specifically stated above, the amounts given may be subject to increases based on changes in market conditions, our cost of providing services and future policy changes. We do not have a specific formula for raising these fees, as we have not previously considered it. However, increases in hard personnel or legal costs may warrant an increase in these fees. Currently, we have no plans to increase payments or remittances over which we have control.

[Item 7 Begins on Following Page]

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(Column 1) Type of expenditure	(Column 2) Standard Market Amount Low	High	(Column 3) Community Market Amount Low	High	(Column 3) Method of payment	(Column 4) When due	(Column 5) To whom payment is to be made
Initial Franchise Fee Base Fee – including any applicable option fees (Note 1)	$15,900	$15,900	$7,900	$7,900	Lump Sum	When Opened for Business	Us
Initial Franchise Fee - territory fee (Note 1)	$1,500	$60,000	$1,500	$20,000	Lump Sum	When Opened for Business	Us
Initial Rent & Deposit (Note 2)	$0	$1,000	$0	$1,000	As Incurred	As Arranged	Lessor
Leasehold Improvements (Note 3)	$0	$1,000	$0	$1,000	As Incurred	As Arranged	Contractor/ Landlord
Vehicle (Note 4)	$0	$350	$0	$350	As Incurred	As Arranged	Vendor
Business Licenses and Permits (Note 5)	$0	$500	$0	$500	As Incurred	When Required	State and Local Agencies
Insurance (Note 6)	$200	$3,000	$200	$3,000	Varies	As Arranged	Broker or Insurance Company
Initial Printing Supply Package (Note 7)	$1,500	$5,000	$1,500	$5,000	As Incurred	As Arranged	Approved Suppliers
Legal and Accounting Fees (Note 8)	$250	$1,500	$250	$1,500	As Incurred	As Arranged	Attorneys & Accountants
Initial Inventory and Equipment (Note 9)	$8,000	$20,000	$8,000	$20,000	As Incurred	As Arranged	Approved Suppliers
Computer System (Note 10)	$0	$500	$0	$500	As Incurred	As Arranged	Vendor
Quick Start Training – travel & living expenses (Note 11)	$1,200	$1,500	$1,200	$1,500	As Incurred	As Arranged	Vendor
Additional Funds for initial 6 month period (Note 12)	$1,000	$6,000	$1,000	$6,000	As Required	As Needed	Suppliers, Employees, Etc.
TOTALS	$29,550	$116,250	$21,550	$68,250			

Notes To Item 7

Note 1

The preceding chart assumes that you are a new Franchisee and will pay an initial franchise fee. See Item 5 for a description of the initial franchise fee. The initial franchise fee includes a base fee and applicable territory fee. We will refund the Initial Franchise Fee (less our expenses) if we terminate the Franchise Agreement because you fail to satisfactorily complete the Quick Start Training program. All other fees are non-refundable. Your initial franchise fee also entitles you to attend 1 conference in your first franchise year at no additional charge. We may, in our sole discretion, make limited financing available for a portion of the initial franchise fee. See Item 10 for details and financing options available. If you pay an option fee to reserve a territory, we will credit the option fee against your initial franchise fee if you purchase a franchise before the Option Agreement expires

Note 2

The Franchised Business can be run as a home-based business or as a division of an existing business. If you have a convenient area in your home, such as a garage or basement or other similar space, you can convert that space into work area, or if you have an existing service business you may already have sufficient space. The space needed for the office is estimated to be approximately 500-900 square feet, and it will be located in an area offering convenient access to your employees. If you must lease additional space, the rent for the leased premises will vary substantially per location. The estimate is based on the first month's rent and a security deposit equal to another month's rent, both paid in advance. Rent will vary by location. We will provide guidance for converting a location for use as the Franchised Business. For your first 6 months, the fee will range from $0 to $7,000 including the security deposit.

Note 3

We estimate that leasehold improvements will range from $0 to $1000 to convert a space in a building or your home into the office for your Franchised Business. The cost of the improvements will vary from location to location. If you lease office space, the landlord may make all necessary leasehold improvements and include the cost of the improvements in your monthly lease payment, so that you do not incur any front-end out-of-pocket expenses; however, there is no guarantee that a landlord would enter into this type of arrangement.

Note 4

If you have a truck or other service vehicle that you use in an Other Business, you can usually convert that vehicle for use in operating your Franchised Business at a cost ranging from $100 to $2500. If you do not have a vehicle, you will need to purchase or lease a vehicle to be able to function as a franchisee. The estimate is based on the first month's lease payment.

Note 5

Several local business licenses or permits may be needed to open the Franchised Business or, if you currently operate a similar business, you may already be covered under business licenses you hold now. It is your responsibility to adhere to licensing requirements and renewals. The costs of these business licenses and permits will vary from location to location and are estimated to be from $0 to $500.

Note 6

Estimated insurance costs are based on premiums for the insurance coverage required under the Franchise Agreement. (See Section 15 of the Franchise Agreement) All insurance policies must be written by an insurance company satisfactory to us covering both franchisee and us. You also may maintain additional insurance if you consider it advisable.

Note 7

This estimate is for your initial supply of business cards, flyers, contract forms, brochures, sales forms, and invoices.

Note 8

Estimated legal and accounting fees include the cost to create your business entity (e.g., incorporation) and to set up your books and records. (See Section 12 of the Franchise Agreement for our record keeping requirements.)

Note 9

This estimate is for your initial inventory of lights, garland, wreaths, fasteners and other items which should be purchased and on hand upon completion of Quick Start Training for Holiday Lighting Services.

Note 10

You must acquire a printer, cables, peripherals and other computer equipment to place orders electronically over the Internet and to submit sales reports electronically. If you already have this equipment in place with another business you own, you may use them for the Franchised Business and this will result in no additional cost to you.

Note 11

This estimate includes any airfare or other transportation expenses you may incur for 3 people to attend separate Quick Start Training seminars for Holiday Lighting Services, as well as the cost of hotel rooms and meals not provided during training. You are responsible for any such expenses. This cost of these expenses will vary depending on your location and the transportation required for you to travel to the location of the training at our headquarters in Irving, Texas.

Note 12

This estimate includes other expenditures you may be required to make before operations begin and during the initial phase (6 months) of the franchise. In addition, you must be able to pay your personal living expenses for at least the first 6 months of operation. This is only an estimate and will vary for each franchised business. For example, if you purchase the franchise as an “add on” to your existing business operations, you may not require the same amount of additional funds. We have relied on our and our affiliates 26 years of experience in the Franchise business to compile these estimates.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase all applicable lighting, decorative garlands, hardware, clips, lighting fixtures, wire, transformers, hardware, accessories and install and use equipment, printing and other supplies and fixtures in accordance with the standards and specifications in the Manual. You must purchase all required lighting products, other products and materials for the operation of the Franchised Business solely from suppliers (including manufacturers and distributors) we approve.

All forms of permanent perimeter lighting for both Residential and Commercial Properties are considered direct competition to the product used for Permanent Lighting Services. Any products other than those approved by us is strictly prohibited without our prior written approval. All approved products and Permanent Lighting services offered by such products shall be subject to applicable royalty fees.

Neither we nor our affiliates derived revenue from required purchases or leases by franchisees in the fiscal year ended October 31, 2024.

If you wish to use to purchase any product from a supplier that is not then designated by us as an Approved Supplier, You will first notify us and if requested by us submit product samples and other information as we need for examination and/or testing or to otherwise determine whether the proposed supplier, meets our specifications and quality standards. A charge not to exceed the actual cost of testing may be made by us and be paid by You. We may also require inspection of the suppliers' facility before approval can be granted. We will notify you within a reasonable time whether we approve the supplier by being listed on our approved supplier list.

Although historically we have not supplied lighting or other products to our franchisees, we may do so in the future.

One or more of our officers have an interest in us, but no officer owns a material interest in any supplier.

We may receive a commission from certain approved third-party suppliers of 5% to 10% of the dollar volume of orders by franchisees which we may in our sole discretion apply to the cost of maintaining our approved supplier program.

You must obtain the insurance coverage required under the Franchise Agreement from an insurance company satisfactory to us. The coverage shall include, at minimum (except as additional coverage and higher policy limits may reasonably be specified from time to time by us) limits at least equal to those shown below for the categories of required insurance.

- Comprehensive general liability insurance; One Million Dollars ($1,000,000.00) per occurrence with a Two Million Dollars ($2,000,000.00) annual aggregate;

- Liability for owned, hired, and non-owned automobiles or other vehicles; One Million Dollars ($1,000,000.00) per occurrence;

- Property damage liability insurance covering at a minimum the perils of fire and extended coverage and vandalism;

- Worker's Compensation Employer Liability as prescribed by state law with limits no less than Five Hundred Thousand Dollars ($500,000.00); and

- Such other insurance that may be required by us or by the statutes or other laws of the state in which the Franchised Business is located and operated.

The proportion of required purchases from approved suppliers of all lighting products, other products and materials required to establish and operate the Franchised Business is 100%. As of the date of this disclosure document, there are no purchasing or distribution cooperatives.

We may negotiate certain purchase arrangements (including price terms) for the purchase of certain items with suppliers for the benefit of franchisees. In doing so, we seek to promote the overall interests of our franchise system and our interests as the franchisor.

We do not provide material benefits to franchisees based upon their use of designated or approved suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

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

OA = Option Agreement
FA = Franchise Agreement
SLA = Software License Agreement

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	OA: Not Applicable FA: Section 3 SLA: Not Applicable	Item 11
b. Pre-opening purchases/leases	OA: Not Applicable FA: Sections 13.A. and C. SLA: Not Applicable	Items 5 and 7
c. Site development and other pre-opening requirements	OA: Not Applicable FA: Sections 3, 5.A. and 13.A. SLA: Not Applicable	Items 6, 7 and 11
d. Initial and on-going training	OA: Not Applicable FA: Sections 5, 14.A. and 14.G. SLA: Not Applicable	Item 11
e. Opening	OA: Not Applicable FA: Section 3.C. SLA: Not Applicable	Item 11
f. Fees	OA: First paragraph; Sections 2 and 5 FA: Sections 1.B., 2.B.6, 11, 17.C., and 19.B.(4) SLA: Sections 1.3 and 8.1	Items 5, 6, 7 and 11

Obligation	Section in Agreement	Disclosure Document Item
g. Compliance with standards and policies/Operating Manual	OA: Not Applicable FA: Sections 7, 12 and 13 SLA: Not Applicable	Item 11
h. Trademarks and Proprietary Information	OA: Not Applicable FA: Sections 6, 7 and 8 SLA: Sections 4 and 5	Items 13 and 14
i. Restrictions on products/services offered	OA: Not Applicable FA: Sections 13 and 14 SLA: Sections 2, 3 and 4	Item 16
j. Warranty and Customer Service Requirements	OA: Not Applicable FA: Manual (Proprietary) SLA: Section 6	Item 11
k. Territorial development and sales quotas	OA: Not Applicable FA: Section 10.A.(1) SLA: Not Applicable	Item 12
l. Ongoing product/service purchases	OA: Not Applicable FA: Sections 13 and 14 SLA: Not Applicable	Item 8 and 12
m. Maintenance, appearance and remodeling requirements	OA: Not Applicable FA: Section 13.B. SLA: Not Applicable	Item 11
n. Insurance	OA: Not Applicable FA: Section 15 SLA: Not Applicable	Item 7
o. Advertising	OA: Not Applicable FA: Sections 10, 13.J. and 14.D. SLA: Not Applicable	Items 6 and 11
p. Indemnification	OA: Not Applicable FA: Section 27 SLA: Not Applicable	Item 6
q. Owners participation/ management/staffing	OA: Not Applicable FA: Section 13.H. SLA: Not Applicable	Item 15
r. Records and Reports	OA: Not Applicable FA: Sections 11.B. and 12 SLA: Not Applicable	Item 6 and 7
s. Inspections and Audits	OA: Not Applicable FA: Sections 12 and 13.E. SLA: Not Applicable	Item 6 and 8

Obligation	Section in Agreement	Disclosure Document Item
t. Transfer	OA: Section 7 FA: Section 19 SLA: Section 7	Item 17
u. Renewal	OA: Section 2 FA: Section 2.B. SLA: Section 8	Item 17
v. Post-termination obligations	OA: Not Applicable FA: Sections 17 and 18 SLA: Section 8	Item 17
w. Non-competition covenants	OA: Not Applicable FA: Sections 18.C. and 18.D. SLA: Not Applicable	Item 17
x. Dispute Resolution	OA: Not Applicable FA: Sections 22, 23, 24, 25, and 26 SLA: Not Applicable	Item 17
y. Other: Guarantee of franchise obligations	OA: Not Applicable FA: Sections 19.B. and 32.A. SLA: Not Applicable	Item 15

Item 10

FINANCING

Depending upon the territory, your credit rating and other factors, we may, in our sole discretion, make limited financing available for a portion of the initial franchise fee. In these cases, the amount financed will be the lesser of 50% of the territory fee or $7,500. The maximum financing term will be 18 months and the interest will be calculated at a 10% annual percentage rate. Payments must be made under a mandatory automatic bank draft or credit card.

SUMMARY OF FINANCING OFFERED

The following are examples of financing for the Initial Franchise Fee. The amount financed (if any) and the term of the loan will vary based on the factors listed above.

Item Financed	Total Amount	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Initial Franchise Fee	$15,900 Base $16,000 Territory	Us	$23,500	$7,500	1.5	10%	$450.43	None	Personal Guaranty and Security Agreement Franchise	Judgment Attorney's Fees Costs	Acceleration of debt Loss of Franchise

A copy of the Promissory Note, Security Agreement and Guaranty Agreement are attached as Exhibit J to this Disclosure Document. We require that the Franchise Agreement be pledged as collateral for payment of the note as well as a personal guaranty of the note signed by you and your spouse (if any, and even if your spouse is not a party to the Franchise Agreement) or by all of your owners (if you are a corporation, limited liability company, partnership or other entity). If you do not make payments in a timely manner, we can raise the interest rate to the maximum allowed by law or call the loan and demand immediate payment of the full outstanding balance as well as any and all court costs and attorney's fees. We have the right to terminate your franchise if you do not make your payments on time. We may assign the note to a third party. We do not require you to waive defenses.

Except as disclosed above, we do not provide or arrange any financing for you. We do not receive direct or indirect payments for placing financing. We do not guarantee your obligations to third parties.

Item 11

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

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

Pre-Opening Obligations (Sections 1, 3.C., 14.A. and 14.B. Franchise Agreement): Before you open your business, we will provide you with the following assistance. We will:

1. (Section 3.B., Franchise Agreement) You have sole responsibility to select a site for the Franchised Business in the Territory and for negotiating any lease, if applicable. We will review and approve your site based on an analysis of demographics, visibility and accessibility, and suitability of the premises to be leased. We are not required to approve or disapprove your site within any specific time period, but we will use our reasonable best efforts to notify you of our decision within 30 days from the date you submit your request. If we do not approve the site, you must locate your Franchised Business at another site within the Territory. Typically, our franchisees operate their businesses from their homes or from another pre-existing business location within the Territory, which we approve before the Franchise Agreement is signed. Your failure to present an acceptable site may result in a default under the Franchise Agreement, for which the Franchise Agreement may be terminated.

Under the Franchise Agreement, you must open for business within 30 days following the effective date of the Franchise Agreement. The factors that affect these dates are: the ability to obtain a lease; time for leasehold improvements; your ability to obtain delivery of equipment from suppliers; local ordinances and weather conditions. Any delay must be approved by us in writing;

2. Assist you with suggestions for the layout and design of the Franchised Business (if applicable; however, the application, installation and costs of leasehold improvements, signs, printing, furniture and fixtures for finishing out a franchised location are your responsibility. We do not provide any of these for you.);

3. Provide you with specifications for the equipment, inventory, forms and materials needed to operate the Franchised Business, provide you with specifications for approved apparel, and give you a list of approved suppliers.;

4. Provide you access to an operations/training manual. You do not own this manual;

5. Provide you the initial software license including 1 year of technical support; and

6. Provide you with a Quick Start Training program which includes administrative and inventory control assistance and a 1 day software training program.

Post-Opening Obligations (Section 14.C. Franchise Agreement): During the operation of the Franchised Business, we will provide continuing consultation and advice regarding business, financial, operational, technical, sales and advertising matters, fair pricing structures for advertisers, software upgrades, selection of proper equipment, fixtures and supplies, operation of the Franchised Business and development of personnel policies. There are no minimum or maximum price at which you must sell products and services. We will provide guidance based on historical data of other franchisees in your area. We will provide the assistance by intranet, telephone, or if the situation warrants, through on-site assistance by appropriate personnel at your expense. We will use our intranet system as a primary information and communication tool which means that you must maintain the capability to access the Internet. We require the utilization of high speed internet connections where available. We are not obligated to spend any specific amount on advertising in your territory other than the administration of the Marketing Development Fund described below

Advertising and Promotion (Article 10 and Section 14.D. Franchise Agreement) We may develop and provide creative materials for local or regional advertising and make the advertising materials available to you for publication or distribution in your market area at your expense. Our advertising programs may cover joint advertising or marketing programs with third parties and the development of marketing brochures, forms, letterhead, envelopes, business cards, etc., for your use. In addition, we may provide specific guidelines for advertising and advertising programs you initiate and have the right to disapprove any advertising which, in our opinion, is not in accordance with these guidelines. You must discontinue any advertising and/or promotions that would, in our opinion, be detrimental. We do not have any advertising cooperatives.

We administer Marketing Development Fund to market, advertise and promote the CHRISTMAS DECOR system ("MDF"). You must contribute to the MDF a minimum ranging from $550 to $1,150 annually (based on the prior year's annual gross sales from Holiday Lighting Services and market size) or 1% of annual gross sales from Holiday Lighting Services, whichever is greater. For each CHRISTMAS DECOR Franchised Business we own (if any), we will make contributions to the MDF on the same basis as the assessment required of you. MDF contributions are not used to market, advertise or promote franchise sales.

We will administer the MDF as follows:

We will oversee all advertising and advertising programs and will have the sole discretion to approve or disapprove the creative concept, materials, methods, and media (which includes electronic media and the internet) used in the programs, and their placement and allocation. We have no advertising council composed of franchisees. You must agree and acknowledge that the MDF is intended to maximize public recognition and acceptance of the Marks for the benefit of the System, and we undertake no obligation in administering the MDF to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that you benefit directly or pro-rata from advertising or promotion conducted under the MDF.

All MDF contributions and earnings will be used exclusively to meet any and all costs of maintaining, administering, directing and preparing advertising and promotion activities (including the costs of preparing and conducting advertising campaigns in various media; sponsorship, marketing surveys and other public relations activities; employing advertising agencies; and providing advertising brochures and other marketing materials to you). If we elect to establish a national toll-free number for end-user customer service, we may pay for the related costs from the MDF. We have established a Franchise Locator through The Decor Group webpage on the internet. The MDF pays for continuing development and maintenance of these sites.

We do not segregate the MDF funds for the CHRISTMAS DECOR System from our general operating funds. However, we do separately account for the System's MDF funds. The MDF funds do not inure to our benefit and no MDF contributions will be used to defray any of our expenses, except for such reasonable administrative costs and overhead (including, without limitation, portions of employees' salaries), if any, as we may incur in activities reasonably related to the administration or direction of the MDFs and advertising programs for the System and its franchisees.

All MDF contributions and earnings must be expended for the purposes described above during the taxable year within which the contributions and earnings are received. If, however, excess amounts remain in the MDF at the end of the taxable year, all expenditures in the following taxable year(s) shall be made first out of the accumulated earnings from previous years, next out of earnings in the current year and finally from current contributions.

The MDF is not a trust or escrow account, and we have no fiduciary obligations regarding the MDF. A statement of the operations of the System's MDF will be prepared annually by our accounting department. We will make those statements available to the System's franchisees (including you) upon written request. All MDF transactions are subject to an internal annual review but are not subject to a separate annual audit.

Although the MDF is intended to be of perpetual duration, we have the right to terminate the MDF at any time. The MDF will not be terminated, however, until all monies in the MDF have been expended for the purposes described in the Franchise Agreement. Your required contributions to the MDF can be increased upon our recommendation and ratification of the recommended increase by 51% of the franchisees in good standing.

We did not collect or spend any MDF contributions in our prior fiscal year. The following is a breakdown of the expenditures of the MDF for Holiday Lighting Services by our Predecessor for the period of November 1, 2023 - October 31, 2024:

Production (1)	65%
Media Placement (2)	22%
Administrative Expenses (3)	3%
Other (4)	10%
Total	100%

Notes:

(1) Production expenditures include: website design, printing and photo layouts; subscriptions; marketing analysis software; customer profiling and tests; and video expenses.

(2) Media Placement expenditures include: website development and optimization; public relations programs – local, regional, and national press releases, online publications, national media attention; trade shows; and philanthropic efforts – Ronald McDonald House, Decorated Families Program.

(3) Administrative Expenses include: any office expenditures related to marketing and advertising.

(4) Other expenditures include: product samples; sales portfolios; and focus groups.

None of the funds of the MDF were used to advertise or solicit for the sale of franchises. To the extent that we used MDF contributions to defray our reasonable costs of overhead, we allocated the breakdown of those expenditures to the other categories generally based upon the type of work and time spent by our personnel. For example, if our employee produced marketing materials for the MDF, the MDF contributions that we used to defray those expenditures on overhead were allocated to the Production category above.

Technology Requirements (Sections 12.D., 13.C. and 14.C. Franchise Agreement) Currently, we do not specify the type of computer system you must maintain, although you must have a PC or compatible computer, as well as a printer, scanner, facsimile transmission equipment, cables, peripherals and other computer equipment needed to run the proprietary software program (described below). We also require you to maintain internet service through a reputable internet service provider with an associated email address which must be approved by us to receive communications from us, to place orders electronically over the Internet, utilize online support, and to submit sales reports and customer lists electronically

For no additional charge during the first year, we provide to you a proprietary software program at the essential level and first year of technical support. This program enables you to complete a variety of functions, including proposals, scheduling, invoicing, costing and tracking accounts receivable. This program is available for your choice of 3 levels and must be purchased every year. (See Item 6)

In the future, we may require you to update the Computer System (defined in the Franchise Agreement to include computer hardware and software and a DSL line or other dedicated network connection) or install any other Computer System that we designate, and may also require you to purchase and use any other proprietary software developed by or for us.

You must transmit to us, or permit us to collect electronically, information stored on our proprietary programs. You must install and maintain high speed internet access that will allow us to remotely access sales information and other data from our proprietary system. We will have independent access to the information generated and stored in the systems

Each transaction of the CHRISTMAS DECOR Franchised Business must be processed using our proprietary software in the manner we prescribe. We will have the right to access and retrieve from our software all sales and other information relating to the CHRISTMAS DECOR Franchised Business, and you agree to take any reasonable action necessary to give us that access. There are no contractual limitations on our right to access this information or to request upgrades of our proprietary software.

You must provide a link from any Other Business website (as defined in the Franchise Agreement) which we approve. When this link is provided, we will create a link to your Other Business from your Christmas Decor front door webpage. You must provide a URL and any necessary artwork, all of which we must approve.

We estimate that the additional cost of your computer system will be approximately $500. Neither we, nor our affiliates, nor any third parties are required to provide ongoing maintenance repairs, upgrades, or updates to your computer system. Currently, there are no optional or required maintenance/upgrade contracts for the computer system.

Manual (Article 7 and Section 14.B. Franchise Agreement) We will provide you access to our Manual (currently 1,335 total pages) either in electronic form or a hard copy. The Manual is our confidential property and may not be loaned out, duplicated or copied in any manner. We may add to and otherwise modify the Manual periodically, as we think necessary, but no addition or modification will alter your fundamental status and rights under the Franchise Agreement. You must always follow the directives of the Manual throughout the term of the Franchise Agreement. A copy of the Operations Manual Table of Contents is attached as Exhibit D to this disclosure document. The Manual will be provided and updated through our intranet system or in any other medium we deem best. We may revise the contents of the Manual and you must comply with each new or changed standard. You must also ensure that the Manual is always kept current. If there is a dispute as to the contents of the Manual, the terms of the master copy(s) maintained at our corporate office will be controlling.

Training (Article 5 and Section 14.A. and 14.G. Franchise Agreement.):

Holiday Lighting Services

We will make our Quick Start training program available to you (or 1 of your principal investors) and up to 2 additional employees. For your first Territory, Quick Start training attendees must include 1 principal investor. Unless we approve a different training schedule, you must attend and successfully complete to our satisfaction within 30 days after the Franchise Agreement is signed and before you begin offering Holiday Lighting Services, one of our regularly scheduled training and familiarization courses of up to 5 days in duration conducted at our headquarters. The training program covers the material aspects of the operation of the Franchised Business, including introduction and orientation to the System, financial controls, promotion and sales methods, other marketing techniques, service and operational techniques, systems and methods, deployment of salespeople and other personnel, and maintenance of quality standards. The materials used in training include the manuals as well as other presentation materials including Power Point presentations and handouts. All expenses you and your employees incur in attending training, including travel, room and board expense and other similar expenses, are your responsibility.

We conduct training classes throughout the year as needed. Training is administered under the supervision of Brandon Stephens, with 20 years experience in the lighting industry. We also draw upon the experience of our other management personnel, employees, and training professionals who each have at least 5 years experience in fields related to the training being conducted.

QUICK START TRAINING PROGRAM (1)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
DAY 1			
Company History & Operating Philosophy	1.5	0	Irving, TX or another location we specify
Design Basics	1.5	0	Irving, TX or another location we specify
Product & Ordering Procedures	1.5	0	Irving, TX or another location we specify
DAY 2			
Product Orientation & Design Theory	1.5	0	Irving, TX or another location we specify
Marketing & Public Relations	1.5	0	Irving, TX or another location we specify

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Mapping & Measuring	1.5	0	Irving, TX or another location we specify
Creating Proposals	1.0	0	Irving, TX or another location we specify
Sales	3.0	0	Irving, TX or another location we specify
DAY 3			
Sales / Role Play	1.0	0	Irving, TX or another location we specify
Scheduling & Paper Flow	1.0	0	Irving, TX or another location we specify
Shop & Crew Organization	1.5	0	Irving, TX or another location we specify
Power, Electrical, & Trouble-shooting	2.0	0	Irving, TX or another location we specify
Installation / Classroom	2.0	0	Irving, TX or another location we specify
Takedown & Storage	1.0	0	Irving, TX or another location we specify
DAY 4			
Field Training	4.0	0	Field Training Site Irving, TX or another location we specify
Franchise Requirements & Operating Standards	1.0	0	Irving, TX or another location we specify
Communication Systems & Online Ordering	1.0	0	Irving, TX or another location we specify
Approved Vendors	1.0	0	Irving, TX or another location we specify

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Business Planning Tools	2.0	0	Irving, TX or another location we specify
DAY 5			
Proprietary Software Training	8.0	0	Irving, TX or another location we specify

(1) Time periods are approximate.

The training materials are all contained in the Christmas Decor Training Workbook which is supported by a digital library or online.

We may conduct additional seminars or other training programs for your benefit, and you may attend any seminar or program. Upon request and our approval, some of your employees may attend certain seminars and programs. We reserve the right to disapprove the attendance of any of your employees. We may charge a reasonable fee for a seminar or program if it is deemed appropriate. You must pay for all traveling, living, and other expenses incurred by anyone attending training other than so stated. You may make reasonable requests for training in addition to that specified above, and we shall provide the training at your expense, including our travel, lodging, meals and other training fees.

You must attend 1 regional continuing education class and 2 annual conferences during the 5 year initial term and any renewal term of this Agreement, 1 of which must be attended during your 2nd franchise year. If you attend the annual conference in your 2nd franchise year you must also attend the designated refresher course, for 2nd-year franchisees, in conjunction with the conference. We recommend attending all new training available to further broaden your knowledge to better serve your customers. If you do not attend as required, you must review conference/continuing education materials in an online program provided by us and may be charged a cost to access (currently $850). If you have missed more than 1 continuing education class or annual conference during the term of your Franchise Agreement, you must attend an additional continuing education “refresher course”, at your expense, as a condition to renewal. Your initial franchise fee includes a credit for 1 complimentary Christmas Decor conference registration for 1 person at an annual Christmas Decor conference held during the first 18 months of the initial term of the Franchise Agreement.

Item 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will receive exclusive rights to offer and sell Holiday Lighting Services to Residential Properties within your Territory. Residential Properties are defined as properties which serve as a residence or living quarters for one or more persons, regardless of ownership and regardless of whether a business is being conducted on the property. You will not receive an exclusive Territory for Commercial Properties. Commercial Properties are defined as any property other than a Residential Property. An exclusive territory means we will not operate or give anyone else the right to operate a CHRISTMAS DECOR Franchised Business offering Holiday Lighting Services to Residential Properties within your Territory. As for sales of Holiday Lighting Services to Commercial Properties in your Territory, you may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You and we will determine the Territory and a description of the Territory will be inserted in Exhibit A to the Franchise Agreement before the Franchise Agreement is signed. We determine Territories based on (among other relevant factors) the number of residential households in the area and other demographic data, advertising markets, natural and man-made boundaries and resulting traffic patterns. The size of the Territory may range from a portion of a city or an unincorporated area to a single or multi-county area and will be described in Exhibit A of each Franchise Agreement by county lines or a description of municipal boundaries.

If you fully comply with the Franchise Agreement (including satisfaction of the Annual Performance benchmarks set out in paragraph 3 of Exhibit A to the Franchise Agreement), we will not operate or give anyone else the right to operate a CHRISTMAS DECOR Franchised Business offering Holiday Lighting Services to Residential Properties within your Territory. However, we may service or may authorize other franchisees to service national accounts in your Territory if you fail to service the national account in conformity with the applicable protocols and within any required time period. We also may establish or authorize others to establish businesses under different trademarks offering similar or dissimilar products and services, whether in alternative channels of distribution or in any location, including within the Territory.

Your protection is only for sales of Holiday Lighting Services to Residential Properties within your Territory. We and any other CHRISTMAS DECOR franchisee may sell Holiday Lighting Services under the Marks to and service Commercial Properties in your Territory including through other channels of distribution like the internet, catalog sales, telemarketing and direct marketing. We also reserve the right to acquire or merge with businesses that are the same as or similar to CHRISTMAS DECOR Franchised Business and operate such businesses regardless of whether such businesses are located within or outside the Territory, and to be acquired by or merged with any third party which operates businesses that are the same as or similar to CHRISTMAS DECOR Franchised Business regardless of whether such businesses are located within or outside the Territory.

As a Christmas Decor franchisee, you may sell Holiday Lighting Services to and service Commercial Properties outside your Territory. You may also sell Holiday Lighting Services to and service Residential Properties outside your Territory but only in areas that are currently unassigned to any Christmas Decor franchisee and only as long as you obtain written approval from us and (i) the area is not awarded to another Christmas Decor franchisee, (ii) these accounts are acquired by referrals or other incidental contact and not through active solicitation activities which are prohibited, and (iii) you relinquish Residential Property accounts outside your Territory to a new Christmas Decor franchisee when the area is awarded.

Your territorial protection depends on your compliance with the Franchise Agreement, including your achievement of the Annual Performance Benchmarks set out in an exhibit to the Franchise Agreement. The amount of the Annual Performance Benchmarks is determined by the size of the Territory, number of households in the Territory and other demographic data. If you do not achieve an Annual Performance Benchmark we may elect to reduce the size of your Territory, and you must continue to operate the CHRISTMAS DECOR Franchised Business under the Franchise Agreement, as modified.

We may excuse or defer compliance with the Annual Performance Benchmarks if, in our reasonable judgment, (a) you are precluded from operating by an event of force majeure (war, civil disturbance, natural disaster, labor dispute, terrorist act or other similar event outside your control), or (b) (i) you have been adversely impacted by a significant negative change in the local economy in our sole opinion, or (ii) you have experienced extraordinary unforeseeable business circumstances in our sole opinion. In addition, if we determine, in our sole opinion, that you have experienced inclement weather days in excess of 10% more than normal for the local area during the peak decorating season (October 1st through December 25th), we will reduce the Annual Performance Benchmarks for that year by a percent equal to the percent of inclement days above and beyond this 10% allowance.

We will not unreasonably withhold our approval for you to relocate your CHRISTMAS DECOR Franchised Business as long as you relocate to a site within your Territory.

We will not compensate you for soliciting or accepting orders from inside the Territory.

If you sign an Option Agreement and pay the option fee, you may reserve a Territory for the option period specified in the Option Agreement. Except for the Option Agreement, we do not grant options, rights of first refusal or similar rights to acquire additional franchises.

Item 13

TRADEMARKS

You will operate the Franchised Business under certain trademarks, service marks, trade names, logo types and emblems we authorize including "CHRISTMAS DECOR. The Manual contains specifics on how our names and Marks must be used.

Our affiliate, Decor Group IP LLC ("Decor IP"), owns the following service marks registered on the Principal Register with the United States Patent and Trademark Office ("USPTO") and it intends to file all required affidavits and renewals:

Marks	Registration No.	Registration Date
CHRISTMAS DECOR	4,304,700	March 19, 2013
CHRISTMAS DECOR HOLIDAY AND EVENT DECORATORS1	3,116,209	July 18, 2006
NITE TIME DECOR LIGHTING FOR ALL OUTDOORS	4,048,360	November 11, 2011
PERMALITES	5,979,022	February 4, 2020

[1] This Mark was the subject of a previous federal registration dated February 10, 1998, Registration No. 2,135,684.

Decor IP also claims common law rights to the trademarks "The Decor Group", "Nite Time Decor" and "PermaLites 365". Decor IP does not have a federal registration for these principal trademarks. Therefore, those trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use the trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Our right to use and license others to use the Marks is exercised under a trademark license agreement (the "TM Agreement") with Decor IP dated December 16, 2024. Under the TM Agreement, we are granted the right to use and to permit others to use the Marks. The TM Agreement has a 10-year term and automatically renews for additional terms of 10 years each unless either party provides prior written notice. If we were ever to lose our right to the Marks, Decor IP is required under the TM Agreement to allow our franchisees to maintain their rights to use the Marks in accordance with their franchise agreements. Also, the franchise agreements will be assigned to Decor IP. Other than the TM Agreement, there are no agreements in effect which significantly limit our rights to use or license the Marks in any state in a manner material to the Franchised Businesses.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the Trademark Administrator of any state or any court, no pending infringement, opposition or cancellation proceeding, and no pending material litigation involving our Marks. We have no actual knowledge of any superior prior rights or infringing uses of our Marks that could materially affect your use of the Marks.

You must follow our rules when you use our Marks. You cannot use a Mark as part of your legal name or with modifying words, designs or symbols except for those which we may authorize in writing. You must submit your proposed assumed name (as distinguished from your corporate or other legal name) to us for approval. Your assumed name must follow a naming convention that includes either a description of the geographic region being serviced (for example "Christmas Decor of SW Lubbock") or incorporated with the name of your current business (for example "Christmas Decor by Bob's Landscaping"). The geographic description must not already be in use and must reasonably depict your service area. We will assist you in determining a naming convention that fits your business based on market size and brand recognition of your Other Business in your specific geographic area. If we require you to modify or discontinue using the trademark, you must do so at your own expense.

You may not use our name or Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us.

You must notify us immediately when you learn about an infringement of or challenge to your use of our Marks. We will take the action we think appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to the Marks. We are not required to defend you and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorable to you. You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights. We do not own any patents nor are there any pending patent applications that are material to the franchise. However, we claim copyright protection for the Manuals, videos, certain marketing, sales and operations literature, our proprietary software programs and any computer software programs and other materials we may develop in the future.

There are no presently effective determinations of the Copyright Office, any pending interference, opposition or cancellation proceedings or any pending material litigation involving the copyrights which is relevant to their use. There are no agreements currently in effect which significantly limit our rights to use or license the use of the copyrights in any manner material to the franchise. There are no superior rights or infringing uses known to us which could materially affect your use of these rights.

We are not obligated by the Agreement or otherwise to protect any or all of these rights or to protect you against claims of infringement. We are not required by the Agreement to defend you against any claim of copyright infringement.

You are authorized by the Agreement to use our copyrighted materials in the performance of your activities under the Agreement. Ownership of all of these rights will remain in us and our assigns. These materials are provided in confidence, must be kept confidential and must be returned on termination or expiration of the Franchise Agreement or transfer of the franchised business.

Trade Secrets and Confidential/Proprietary Information. Under the Franchise Agreement, you acknowledge that you will obtain knowledge of our confidential/proprietary matters, techniques and business procedures and that they are necessary and essential to the operation of the franchised business. You also agree that the confidential/proprietary information was not known to you before signing the Franchise Agreement and that our methods are distinctive to the System. As used in the Franchise Agreement, "Confidential/Proprietary Information" means confidential and proprietary matters, information, techniques and business procedures regarding the Christmas Decor System including marketing techniques, financial controls, training, and the Manuals. We also consider Christmas Decor customer lists of the franchised business to be our Confidential/Proprietary Information. You must agree to make customer lists available to us upon request. Information from these lists is used to, among other things, enhance marketing techniques, conduct periodic surveys, improve market penetration and strengthen brand protection. Upon request, we will provide a non-solicitation agreement stating that any customers related to any Other Business you own will not be solicited for any services except those offered by us through our franchisees.

Manual. During the term of the Franchise Agreement, we will give you access to the Christmas Decor in either electronic form or a hard copy, which may cover such topics as Pre-Opening Procedures, Daily Operations, Marketing and any related topics as may be incorporated in the Manuals periodically. The Manuals will remain our Confidential/Proprietary Information. You must always follow the directives of the Manual, as we may modify them. We may revise the contents of the Manual and you must comply with each new or changed standard. You must also ensure that the Manual is always kept current. If there is a dispute as to the contents of the Manual, the terms of the master copy maintained at our corporate office will control.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

This is a full-time business during the holiday decorating season, usually September through the following February each year. Although we do not require you to personally supervise the CHRISTMAS DECOR Franchised Business on-premises, we recommend that you do so. If you do not, one of your employees whom we approve must devote full-time and on-premises attention to the management and operation of the CHRISTMAS DECOR Franchised Business during the holiday decorating season. This employee must sign a confidentiality and non-compete agreement that we and our counsel approve and satisfactorily complete our Training programs but is not required to have any equity investment in the franchise. Even if the CHRISTMAS DECOR Franchised Business is operated under the supervision of an approved manager, you (or your owner/operator) must devote a sufficient amount of time, energy and best efforts to ensure the efficient and successful operations of the Franchised Business, including compliance with all terms of the Franchise Agreement and the Manual. You must submit to us a business plan for your CHRISTMAS DECOR Franchised Business, by September 1 or 10 business days after completion of appropriate Training classes, whichever is later. We also recommend that you prepare business plans annually by each September 1 during the term of the Franchise Agreement.

If you form a corporation, partnership or limited liability company, you must be the controlling shareholder, partner or member. Except for shareholders of publicly-held corporations and, in our discretion, limited partners of a limited partnership franchisee, all of your shareholders, partners or members must jointly and severally guarantee the performance under the Franchise Agreement and bind themselves to the terms of the Agreement, including non-compete covenants and the covenants against the use or disclosure of our confidential/proprietary information. We also require you to obtain from your employees and send to us confidentiality and non-compete agreements that we and our counsel approve as appropriate for your service area.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only those products and services we authorize, but are not required to sell all products or services we authorize. We have the right to change the type of products or services we authorize. There are no contractual limitations on our right to make any changes.

You may sell Holiday Lighting Services to Residential Properties in your Territory and to any Commercial Property wherever located. You may also sell Holiday Lighting Services to, and service, Residential Properties located in unassigned territories.

You may not conduct advertising which is not in good taste or is of questionable moral character. All marketing materials and initial marketing investments must be approved by our Marketing Director and comply with all standards as laid out in our Marketing and Brand Guidelines.

If we establish a national accounts system, we may provide you with referrals according to the protocols for national accounts that will be described in the Manual. If you do not agree to service a national account, then we may either service it directly or assign it to another franchisee. We reserve the right to change any national accounts program that we may establish at our sole discretion.

[Item 17 Begins on Following Page]

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The following table lists certain important provisions of the Franchise Agreement. You should read these provisions in the agreement attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

FRANCHISE AGREEMENT (FA)

Provision	Section In Franchise Agreement	Summary
a. Length of franchise term	Section 2	5 years.
b. Renewal of the term	Section 2	Your renewal rights permit you to renew the Franchise Agreement if you satisfy the required conditions to renewal at the time of renewal. You may renew the Franchise Agreement for additional successive 5-year periods. You must sign our then-current franchise agreement which may include terms that differ from the terms in the initial contract.
c. Requirements for renewal and extension	Section 2	Pay fee, sign general release (See Exhibit G), comply with then-current training requirements, satisfy outstanding monetary obligations, comply with then-current specifications and standards, achieve Annual Performance Benchmarks, and ensure compliance with Franchise Agreement for duration of original terms. One of the conditions to renewal requires you to sign our then-current franchise agreement for the renewal term and this new agreement may have materially different terms and conditions (including, e.g., higher royalty and/or marketing development fees) from the agreement that covered your initial term or prior renewal term.
d. Termination by franchisee	None.	None.
e. Termination by franchisor without cause	None.	None.
f. Termination by franchisor with cause	Section 16.	We can terminate only if you default.
g. "Cause" defined – curable defaults	Section 16.B.	You have 30 days (15 days for a monetary default) to cure all curable defaults.

Provision	Section In Franchise Agreement	Summary
h. “Cause” defined – non-curable defaults	Section 16.C. and 16.D.	Abandonment, overdue fees, illegal operation of the Franchised Business, material misrepresentation on application, unauthorized transfer, unauthorized disclosure of confidential or proprietary information, repeated territorial infringement, failure to provide access to conduct audits within 3 days of written notice, repeated defaults under the Agreement, activity that disparages us or the CHRISTMAS DECOR brand or the Marks, failure to cure a curable default within 30 days, conviction of a felony (or plea of nolo contendere to felony charge), and bankruptcy.
i. Franchisee’s obligations on termination/non-renewal	Section 17	Pay amounts due, pay liquidated damages (if applicable), return Manuals and related materials, return all Christmas Decor customer files, cease using the Marks, cease operating the Franchised Business, no confusing use of the Marks.
j. Assignment of contract by franchisor	Section 19	No restrictions.
k. “Transfer” by franchisee – defined	Section 19	You may not convey, give away, pledge, exchange, lease, mortgage, or encumber the Agreement or any of your rights or privileges under the Agreement without our written consent.
l. Franchisor approval of transfer by franchisee	Section 19	We must approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 19	Transferee must qualify, must not operate a similar or competing business, sign the then current Franchise Agreement, pay the transfer fee, complete any required training and sign a general release (see Exhibit G).
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 19	We have the right to match any offer for your business.
o. Franchisor’s option to purchase franchisee’s business	Section 17	On termination or expiration of the Franchise Agreement, we have the right to purchase your inventory and equipment at fair market value.
p. Death or disability of franchisee	Section 19	A person’s interest must be transferred to an approved third party within 3 months of that person’s death or mental incapacity. Where interest is transferred by devise or

Provision	Section In Franchise Agreement	Summary
		inheritance, and the heir does not meet our qualifications, the heir will have up to 180 days to dispose of the deceased's interest.
q. Non-competition covenants during the term of the franchise	Section 18	You may not offer products or services which are the same or substantially similar to the Holiday Lighting Services in your Territory, the service territory of another Christmas Decor franchisee or an area within a 50-mile radius of your Territory or the service territory of another Christmas Decor franchisee (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Section 18	For 2 years you may not offer products or services substantially similar to the Holiday Lighting Services in your Territory, the service territory of another Christmas Decor franchise or an area within a 50-mile radius of your Territory or the service territory of another Christmas Decor franchise (subject to state law).
s. Modification of the agreement	Section 33	Agreement may only be modified in writing and signed by both us and you.
t. Integration/merger clause	Section 33	Only the terms of the franchise agreement and other related agreements are binding (subject to state law). No other promises or representations will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Section 22	Non-binding mediation (subject to state law)
v. Choice of forum	Section 23, 24, 25, and 26	State and Federal courts in Lubbock, Texas (subject to state law) The Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of punitive or exemplary damages, a waiver of jury trial and a contractual limitations period. We recommend that you carefully review all of these provisions, and the entire contract, with a lawyer.
w. Choice of law	Section 23	Delaware (subject to state law).

California residents, see the California Addendum to this Disclosure Document for additional disclosures required by California law.

Item 18

PUBLIC FIGURES

We do not use any public figure to promote the franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

This financial performance representation is based on historical data of the franchise system's outlets and includes Average Gross Sales in Table No. 1, and Estimated Net Profit as a Percentage of Sales, Average New Sale, Average Closing Rate, Average Customer Retention, and Average Daily Production for a 3-Man Crew in Table No. 2. Average Gross Sales are further categorized by market size and number of years in operations.

Table No. 1

Christmas Decor Franchised Businesses are generally seasonal in nature, with most sales occurring between the months of September through December. and typically As of the date of this disclosure document, the most recent fully completed sales season concluded in January 2024. At the sales reporting deadline of January 22, 2024 (the "Reporting Deadline"), there were 240 active Christmas Decor franchises.

The average sales information was derived from system-wide sales reporting data from 188 Christmas Decor franchisees representing 224 franchised businesses (or 93% of all 240 active Christmas Decor franchises at the sales reporting deadline of January 22, 2024). 10 franchises that either failed to provide sales reports or had de minimis activity because their owners are in the process of selling their Christmas Decor franchise were not included in our system-wide sales data for royalties. 6 of these 240 franchises had been in operation for fewer than the 2-5+ year operational periods used to determine inclusion for purposes of the Average Gross Sales category, so their Average Gross Sales were not included. (See notes (1) and (2)).

		Franchises Above Average	**Franchises Below Average**	**Highest**	**Lowest**	**Median[5]**
AVERAGE GROSS SALES [1]						
Top 10% in sales [2]	$2,412,637	25%	75%	$7,253,083	$1,238,833	$1,610,768
5+ years in operation [3]	$418,607	37%	63%	$7,253,083	$13,291	$226,039
2-4 years in operation [4]	$216,843	27%	76%	$929,564	$8.509	$116,414

Notes to Table No. 1

(1) In the first franchise year of this seasonal business, franchisees start at different times during the year (often in the last quarter) and are trained on the system at various times so their gross sales for each outlet are not a true representation of the system. Accordingly, we did not include the Gross Sales of any Christmas Decor franchise operating for less than 12 months as of the Reporting Deadline in determining Average Gross Sales.

Average Gross Sales data includes both residential and commercial customers. Gross Sales is defined as the sale of Holiday Lighting Services less sales tax, discounts, allowances, and returns.

(2) Our system-wide average sales information for royalty purposes in calculating the top 10% of total sales, is based on the collective sales data received from 8 franchisee owners representing 23 Christmas Decor franchises (10% of all 240 active Christmas Decor franchises).

(3) Our system-wide average sales information for royalty purposes in calculating franchises in operation for 5+ years is based on the collective sales data received from 155 franchisee owners representing 192 Christmas Decor franchises. 38 franchises have been in operation for less than 5 years and are not included in the system-wide averages for this financial performance representation.

(4) Our system-wide average sales information for royalty purposes in calculating franchises in operation for 2-5 years is based on the collective sales data received from 29 franchisee owners representing 32 Christmas Decor franchises that have been in operation for at least 12 months based upon the date of purchase through the end of the 2nd calendar/franchise year, but less than 5 years. 9 franchises have been in operation for less than 12 months and are not included in the system-wide averages for this financial performance representation.

(5) The definition of Median is the gross sales amount that is the midpoint in the range of gross sales amounts used in Table 1.

[Item 19 Continues on Following Page]

Further details regarding those Christmas Decor franchises represented in Table No. 1 of this financial performance representation are listed below:

Geographic Distribution. The following is a breakdown of the Christmas Decor franchises included in Table No. 1 of this financial performance representation by state:

Alabama – 3
Alaska – 2
Arizona – 2
Arkansas – 4
California – 2
Colorado – 6
Connecticut – 1
Delaware – 1
Florida – 9
Georgia – 10
Idaho – 4
Illinois – 7
Indiana – 4
Iowa – 6
Kansas – 3
Kentucky – 2
Louisiana – 5
Maryland – 9
Massachusetts – 7
Michigan – 6
Minnesota – 5
Mississippi – 3
Missouri – 1
Montana – 5
Nebraska – 2
New Hampshire – 2
New Jersey – 18
New Mexico – 1
New York – 6
North Carolina – 2
North Dakota – 1
Ohio – 5
Oklahoma – 3
Oregon – 4
Pennsylvania – 14
Rhode Island – 1
South Carolina – 3
Tennessee – 5
Texas – 27
Utah – 5
Vermont –1
Virginia – 6
Washington – 3
West Virginia – 2
Wisconsin – 4
Wyoming – 2

Number of Years in Operation. The following is a breakdown of the Christmas Decor franchises included in Table No. 1 of this financial performance representation by years in operation:

Years in Operation	# of Franchises
1	0
2 – 4	32
5 +	192

Table No. 2

Information for the following 5 categories was derived from a survey sent to all Christmas Decor franchisees to elicit information about their 2023 operating year. Of the franchisees surveyed, 186 Christmas Decor franchisees representing 225 franchises (or 94% of all 240 active Christmas Decor franchises at the sales reporting deadline of January 22, 2024) responded to our questions and were included in the other 5 categories listed below. Data concerning the remaining 15 franchises whose owners did not respond to the survey or who failed to respond thoroughly were not included in this financial performance representation.

		Franchises Above Average	Franchises Below Average	Median[(6)]
Average Estimated Net Profit as a Percentage of Sales[(1)]	41%	71%	29%	50%
Average New Sale[(2)]	$2,253	37%	63%	$1,819
Average Closing Rate[(3)]	51%	48%	52%	50%
Average Customer Retention[(4)]	79%	57%	43%	82%
Average Daily Production (3-man crew)[(5)]	$3,361	35%	64%	$2,667

Notes to Table No. 2

(1) The definition of Estimated Net Profits is total sales less product costs, cost of labor, sales and marketing related costs, equipment rental, and any other variable costs related specifically to the Christmas Decor business. Royalty Fees paid to the Franchisor, owner salary/draws or allocations of fixed assets unchanged by the Christmas Decor business were not included.

(2) Average New Sale data is for sales to first-time residential customers.

(3) Average Closing Rate is the number of sales made to first-time residential customers vs. the number of appointments to those same customers.

(4) Average Customer Retention is the number of renewals made to residential customers (at least 2 years old) vs. the number of residential customers from the previous year.

(5) Average Daily Production is based on the sales installed by a 3-man crew operation during the holiday season (typically, the last 2 weeks of October, all of November and the first 2 weeks of December).

(6) The definition of Median is the midpoint in the range of figures used for each of the averages in Table 2.

Further details regarding those Christmas Decor franchises represented in Table No. 2 of this financial performance representation are listed below:

Geographic Distribution. The following is a breakdown of the Christmas Decor franchises included in Table No. 2 of this financial performance representation by state:

Alabama – 3	Louisiana – 5	Ohio – 5
Alaska – 2	Maryland – 9	Oklahoma – 3
Arizona – 2	Massachusetts – 7	Oregon – 5
Arkansas – 4	Michigan – 7	Pennsylvania – 13
California – 2	Minnesota – 5	Rhode Island – 1
Colorado – 6	Mississippi – 3	South Carolina – 3
Connecticut – 1	Missouri – 2	Tennessee – 5
Delaware – 1	Montana – 5	Texas – 26
Florida – 9	Nebraska – 2	Utah – 5
Georgia – 10	New Hampshire – 2	Vermont – 1
Idaho – 4	New Jersey – 17	Virginia – 6
Illinois – 7	New Mexico – 1	Washington – 3
Indiana – 4	New York – 7	West Virginia – 2
Iowa – 6	North Carolina – 2	Wisconsin – 4
Kansas – 3	North Dakota – 1	Wyoming – 2
Kentucky – 2		

Number of Years in Operation. The following is a breakdown of the Christmas Decor franchises included in Table No. 2 of this financial performance representation by years in operation:

Years in Operation	# of Franchises
1 – 2	14
3 – 4	20
5 +	191

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

This analysis does not include any estimates of the federal income tax that would be payable on the net income from a CHRISTMAS DECOR Franchised Business or state or local net income or gross profits taxes that may be applicable to the particular jurisdiction in which any such business is located.

Some outlets have sold and/or earned this amount. Your individual results may differ. There is no assurance you'll sell and/or earn as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Brandon Stephens, 301 SE Loop 289, Lubbock, Texas 79404, (806) 722-1225, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2022, 2023 and 2024[1]

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2022	235	240	+5
	2023	240	240	0
	2024	240	244	+4
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	235	240	+5
	2023	240	240	0
	2024	240	244	+4

Notes:

(1) Our predecessor initially had a fiscal year ended March 31, but in 2022 it was changed to December 31st. All numbers for 2022 are for the shortened fiscal year from April 1, 2022 through December 31, 2022. The numbers for 2023 are for the fiscal year January 1, 2023 through December 31, 2023. Our fiscal year end is October 31st. Therefore, the numbers for 2024 are from January 1, 2024 through October 31, 2024. Each year thereafter will reflect a fiscal year of November 1st through October 31st.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022, 2023 and 2024[1]

STATE	YEAR	NUMBER OF TRANSFERS
Alaska	2022	0
	2023	0
	2024	1
Georgia	2022	0
	2023	1
	2024	1
Maryland	2022	1
	2023	0
	2024	0
Minnesota	2022	1
	2023	0
	2024	0
New Jersey	2022	0
	2023	2
	2024	0
Pennsylvania	2022	1
	2023	0
	2024	1
Total	2022	3
	2023	3
	2024	3

Notes:

(1) Our predecessor initially had a fiscal year ended March 31, but in 2022 it was changed to December 31st. All numbers for 2022 are for the shortened fiscal year from April 1, 2022 through December 31, 2022. The numbers for 2023 are for the fiscal year January 1, 2023 through December 31, 2023. Our fiscal year end is October 31st. Therefore, the numbers for 2024 are from January 1, 2024 through October 31, 2024. Each year thereafter will reflect a fiscal year of November 1st through October 31st.

Table No. 3

Status of Franchised Outlets
For Years 2022, 2023 and 2024[(1)]

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMIN-ATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF THE YEAR
Alabama	2022-S	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Alaska	2022-S	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Arizona	2022-S	3	0	0	0	0	0	3
	2023	3	0	0	1	0	0	2
	2024	2	0	0	0	0	0	2
Arkansas	2022-S	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
California	2022-S	3	0	0	1	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	1	0	0	1
Colorado	2022-S	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	1	0	0	0	0	7
Connecticut	2022-S	2	0	0	1	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Delaware	2022-S	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022-S	8	1	0	0	0	0	9
	2023	9	1	0	0	0	0	10
	2024	10	0	1	0	0	0	9

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMIN-ATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF THE YEAR
Georgia	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
	2024	10	1	0	0	0	0	11
Idaho	2022	5	0	0	0	0	0	5
	2023	4	0	0	1	0	0	4
	2024	4	0	0	0	0	0	4
Illinois	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Indiana	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Iowa	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Kansas	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Kentucky	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Louisiana	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Maine	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Maryland	2022	10	0	0	0	0	0	10
	2023	10	0	1	0	0	0	9
	2024	9	0	0	0	0	0	9

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMIN-ATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF THE YEAR
Massachusetts	2022	7	1	0	0	0	0	8
	2023	8	0	0	1	0	0	7
	2024	7	1	0	0	0	0	8
Michigan	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Minnesota	2022	6	0	0	0	0	0	6
	2023	6	1	0	1	0	0	6
	2024	6	0	0	0	0	0	6
Mississippi	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Missouri	2022	2	0	0	1	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Montana	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Nebraska	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Nevada	2022	1	0	0	0	0	0	1
	2023	1	1	0	1	0	0	1
	2024	1	0	0	0	0	0	1
New Hampshire	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New Jersey	2022	19	0	0	0	0	0	19
	2023	19	0	0	0	0	0	19
	2024	19	1	0	0	0	0	20

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMIN-ATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF THE YEAR
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New York	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	1	0	0	0	0	8
North Carolina	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	1	0	0	0	3
North Dakota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Ohio	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Oklahoma	2022	4	0	0	0	0	0	4
	2023	4	0	0	1	0	0	3
	2024	3	1	0	0	0	0	4
Oregon	2022	3	1	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Pennsylvania	2022	13	0	0	0	0	0	13
	2023	13	1	0	0	0	0	14
	2024	13	1	0	0	0	0	14
Puerto Rico	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Rhode Island	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Carolina	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMIN-ATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF THE YEAR
South Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Tennessee	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Texas	2022	28	5	1	1	0	0	31
	2023	31	0	2	1	0	0	28
	2024	28	2	0	1	0	0	29
Utah	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Vermont	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Virginia	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Washington	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	1	0	0	3
West Virginia	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Wisconsin	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Wyoming	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMIN-ATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF THE YEAR
Totals	2022	235	10	1	4	0	0	240
	2023	240	10	3	7	0	0	240
	2024	240	9	2	3	0	0	244

Notes:

(1) Our predecessor initially had a fiscal year ended March 31, but in 2022 it was changed to December 31st. All numbers for 2022 are for the shortened fiscal year from April 1, 2022 through December 31, 2022. The numbers for 2023 are for the fiscal year January 1, 2023 through December 31, 2023. Our fiscal year end is October 31st. Therefore, the numbers for 2024 are from January 1, 2024 through October 31, 2024. Each year thereafter will reflect a fiscal year of November 1st through October 31st.

Table No. 4

Status of Company-Owned Outlets
For Years 2022, 2023 and 2024(1)

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Notes:

(1) Our predecessor initially had a fiscal year ended March 31, but in 2022 it was changed to December 31st. All numbers for 2022 are for the shortened fiscal year from April 1, 2022 through December 31, 2022. The numbers for 2023 are for the fiscal year January 1, 2023 through December 31, 2023. Our fiscal year end is October 31st. Therefore, the numbers for 2024 are from January 1, 2024 through October 31, 2024. Each year thereafter will reflect a fiscal year of November 1st through October 31st.

Table No. 5

Projected Openings as of October 31, 2024

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
Alabama	0	1	0
Colorado	0	1	0
Florida	0	1	0
Illinois	0	1	0
Indiana	0	1	0
New Jersey	0	2	0
New York	0	1	0
North Carolina	0	1	0
Texas	0	3	0
Washington	0	1	0
Wisconsin	0	1	0
Totals	0	14	0

The names, business addresses and business telephone numbers of our franchisees and their outlets as of October 31, 2024 are attached as Exhibit K

Attached as Exhibit K is a list of the name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had an outlet terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement as of October 31, 2024, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

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

As of October 31, 2024, we are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.

As of October 31, 2024, we have no current or former franchisees who have signed provisions in the last 3 years restricting their ability to speak openly to you about their experience with the Christmas Decor franchise system.

As of October 31, 2024, there are no trademark-specific franchisee organizations to be disclosed in this disclosure document.

Item 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E are our audited financial statements for November 12, 2024 (our opening day). Our fiscal year end each succeeding year is October 31. We have not been in business for three years or more and cannot include all financial statements required in this section.

Item 22

CONTRACTS

Attached to this Disclosure Document as an exhibit are copies of the following contracts:

1. Option Agreement;
2. Franchise Agreement and State Addenda;
3. End User Software License Agreement for our proprietary software;
4. Form of General Release;
5. ACH Authorization Agreement;
6. Credit Card Authorization Agreement; and
7. Promissory Note, Security Agreement, Guaranty Agreement

Item 23

RECEIPT

Attached as the last 2 pages of this Disclosure Document are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A

FRANCHISE AGREEMENT

DECOR GROUP FRANCHISING LLC
FRANCHISE AGREEMENT

between

DECOR GROUP FRANCHISING LLC
(A Delaware Limited Liability Company)

and

Name____

Address_______________________________________

City, State, Zip________________________________

Phone Number (______) _______ -________________

Fax Number (______) _______ -__________________

E-Mail Address:_______________________________

Date:____

Form dated: December 19, 2024
FDD dated: December 19, 2024

DECOR GROUP FRANCHISING LLC

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SECTION **PAGE**

DECOR GROUP FRANCHISING LLC
FRANCHISE AGREEMENT

Franchisee(s) Name ____

d/b/a CHRISTMAS DECOR of / by ______________________________

Mailing Address ____

City ____________________________________ State _______________Zip ________________________

Street Address ____

City ____________________________________ State _______________ Zip ________________________

Effective Date (the date on which Franchisor signs this Agreement):________________________________

THIS AGREEMENT is made by and between DECOR GROUP FRANCHISING LLC, a Delaware limited liability company with headquarters located at 2301 Crown Court, Irving, Texas 75038, hereinafter known as "Franchisor", and the persons listed above and referenced herein individually or collectively as "Franchisee," to evidence the agreement and understandings between the parties as follows:

RECITALS

WHEREAS, Franchisor has acquired or developed expertise and comprehensive business systems ("CHRISTMAS DECOR System" or "System" as further defined below) for businesses that sell Christmas, holiday and special event lighting and decoration products and services ("Holiday Lighting Services (the "CHRISTMAS DECOR Business" or the "Franchised Business"); and

WHEREAS, Franchised Businesses operate under the mark "CHRISTMAS DECOR®" and other trade names, trademarks, logos and service marks authorized for use by Franchisor (the "CHRISTMAS DECOR Marks" or "Marks"); and

WHEREAS, the CHRISTMAS DECOR System include sales development programs, sales techniques, materials for preparation, special training techniques, design information, and Confidential/Proprietary Information, as defined below; and

WHEREAS, there is substantial goodwill and business value

WHEREAS, Franchisor grants franchises (a "Franchise") for CHRISTMAS DECOR Businesses to qualified franchisees and Franchisee recognizes the benefits to be derived from being identified with and receiving a Franchise from Franchisor; and

WHEREAS, Franchisee desires to obtain a Franchise for a CHRISTMAS DECOR Business offering Holiday Lighting Services from Franchisor in accordance with the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and subject to the terms and conditions hereof, the parties agree as follows:

1. GRANT OF FRANCHISE AND INITIAL FRANCHISE FEE

A. Grant of Franchise and Territorial Rights

(1) Grant of Franchise

Franchisor hereby grants to Franchisee the right and Franchisee hereby accepts the obligation to operate a Franchise for a CHRISTMAS DECOR Business under the terms and conditions set forth in this Agreement. Franchisor also hereby grants and the Franchisee hereby accepts a limited license to use the CHRISTMAS DECOR Marks and the CHRISTMAS DECOR System solely in connection with the operation of the CHRISTMAS DECOR Business in accordance with the terms and conditions of this Agreement. The CHRISTMAS DECOR Business includes only Holiday Lighting Services.

(2) Territorial Rights

Prior to the execution of this Agreement, Franchisor will designate on Exhibit A to this Agreement a geographically contiguous area to be agreed upon by Franchisor and Franchisee (the "Service Territory"). Franchisee shall have the right and obligation to operate a CHRISTMAS DECOR Business in the Service Territory in accordance with this Agreement. Except as expressly set forth below and in Section 13.K. of this Agreement (regarding national accounts) and provided that the Franchisee is in full compliance with this Agreement, Franchisor agrees that during the term of this Agreement, it will not offer or sell, or grant to any other person or entity the right to offer or sell, Holiday Lighting Services to Residential Properties within the Service Territory of Franchisee. Residential Properties are defined as properties which serve as a residence or living quarters for one or more persons, regardless of ownership and regardless of whether a business is being conducted on the property. Notwithstanding the foregoing, if in any Franchise Year Franchisee fails to satisfy the Annual Performance Benchmarks in Exhibit A to this Agreement, Franchisor may reduce the size of the Service Territory. In that event, Franchisor will modify the description of the Service Territory on Exhibit A and forward a copy of the revised Exhibit to Franchisee. Franchisee agrees to continue to operate the CHRISTMAS DECOR Business under this Agreement, as modified. Franchisor may excuse or defer compliance with the Annual Performance Benchmarks if, in Franchisors sole opinion, (a) Franchisee is precluded from operating by an event of force majeure (war, civil disturbance, natural disaster, labor dispute, terrorist act or other similar event outside Franchisee's control), or (b) (I.) Franchisee has been adversely impacted by a significant negative change in the local economy, or (II.) Franchisee has experienced extraordinary unforeseeable business circumstances. In addition, if Franchisor determines, in Franchisor's sole opinion that Franchisee has experienced inclement weather days in excess of ten percent (10%) more than normal for the local area during the peak decorating season (October 1st through December 25th), Franchisor will reduce the Annual Performance Benchmarks for that year by a percent equal to the percent of inclement days above and beyond this ten percent (10%) allowance.

(i) Franchisee agrees that its rights and protections shall relate solely, and be limited, to the offer and sale of Holiday Lighting Services to Residential Properties within the Service Territory. Commercial Properties are defined as any property other than a Residential Property. Commercial Properties are non-exclusive and any CHRISTMAS DECOR franchisee or Franchisor may offer and sell Holiday

Lighting Services to, and may service, Commercial Properties within the Service Territory. Franchisee also may (a) sell Holiday Lighting Services to, and may service, Commercial Properties located outside the Service Territory and (b) may sell Holiday Lighting Services to, and may service, Residential Properties located outside the Service Territory in any area not assigned to another CHRISTMAS DECOR franchisee; so long as Franchisee obtains written approval from Franchisor and (I.) the area is not awarded to another franchisee, (II.) accounts are acquired by referrals or other incidental contact and not by active solicitation activities which are prohibited, and (III.) Residential Properties outside the Service Territory are relinquished to the new franchisee when the area is awarded. Any properties serviced outside the Service Territory shall be included in the Annual Gross Sales reported by Franchisee to Franchisor.

(ii) Franchisee further agrees that its rights and protections in the Service Territory do not extend to any other types of businesses that Franchisor or its affiliates may operate or sell franchises to others to operate.

(3) <u>Franchisor's Reservation of Rights</u>

Franchisor and its affiliates retain all rights not otherwise expressly granted herein, including, without limitation, the right to offer and sell similar or dissimilar products and services, and to conduct any other activities they deem appropriate whenever and wherever they desire, including, but not limited to, the right to establish and operate, and to grant to others the right to establish and operate, on any terms and conditions they deem appropriate (a) any number of CHRISTMAS DECOR Businesses outside the Service Territory, (b) any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations within or outside the Service Territory under different trademarks or service marks; and (c) the right to acquire or merge with businesses that are the same as or similar to CHRISTMAS DECOR Businesses and operate such businesses regardless of whether such businesses are located within or outside the Service Territory, and to be acquired by or merged with any third party which operates businesses that are the same as or similar to CHRISTMAS DECOR Businesses regardless of whether such businesses are located within or outside the Service Territory.

B. <u>Franchisee's Initial Franchise Fee</u>

(1) <u>Calculation of Initial Franchise Fee</u>

By executing this Agreement, Franchisee agrees to become a Franchisee and pay an Initial Franchise Fee to Franchisor as follows:

(a) Standard Market Territory

Base Fee of Fifteen Thousand Nine Hundred Dollars ($15,900.00) plus a Territory Fee ranging from One Thousand Five Hundred Dollars ($1,500.00) up to Sixty Thousand Dollars ($60,000.00).

(b) Community Market Territory.

Base Fee of Seven Thousand Nine Hundred Dollars ($7,900.00) plus a Territory Fee ranging from One Thousand Five Hundred Dollars ($1,500.00) up to Twenty Thousand Dollars ($20,000.00).

The amount of the Initial Franchise Fee will vary depending upon a number of factors including the size of Service Territory granted, the number of Residential Properties located in the Service Territory, and other demographic data. The amount of the Territory Fee for the Franchised Business subject to this Agreement will be listed in Exhibit A to this Agreement before this Agreement is signed.

(2) Payment of Initial Franchise Fee

Payment of the Initial Franchise Fee is due upon execution of this Agreement by Franchisee and is made by tendering a company check, credit card, automatic bank draft or cashier's check, in the amount of the Initial Franchise Fee (including the applicable Base Fee plus the Territory Fee specified in Exhibit A). The Initial Franchise Fee is fully earned by Franchisor at the time this Agreement is executed by Franchisor and, except as provided in Section 5.B., is non-refundable.

2. TERM AND RENEWAL

A. Term

This Agreement shall be effective and binding for an initial term of five (5) years from the Effective Date.

B. Renewal

Franchisee shall have the right to renew the Franchise(s) granted pursuant to this Agreement for additional successive terms of five (5) years each, provided that all of the following conditions have been fulfilled:

(1) Franchisee has given Franchisor notice of its intention to renew and has satisfied all conditions to renewal set forth herein on or before the earlier of: May 1 in the fifth (5th) year following the Effective Date of this Agreement or the date which is the fifth (5th) anniversary of the Effective Date.

(2) Franchisee has, during the initial term and any prior renewal term of this Agreement, substantially complied with all its provisions;

(3) Franchisee continues to operate the Franchised Business and, by the expiration date of the initial term and any prior renewal term, has brought the Franchised Business into full compliance with the then-current specifications and standards of Franchisor;

(4) Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor and any of its subsidiaries, affiliates and approved suppliers and has timely met these obligations throughout the initial term and any prior renewal term of this Agreement;

(5) Franchisee has executed Franchisor's then-current form of Franchise Agreement (with appropriate modifications to reflect the fact that the said agreement relates to the grant of a renewal license), which agreement shall supersede in all respects this Agreement and the terms of which may differ from the terms of this Agreement, including, without limitation, higher continuing fees; provided, that the percentage royalty rate for the first Franchise Year of the renewal term will be at least the same as the percentage royalty rate of the last Franchise Year of the initial or previous renewal term, as applicable. The Service Territory shall remain the same, provided that Franchisee has met all the requirements for each Franchise Year during the initial term or previous renewal term;

(6) Franchisee pays to Franchisor a Renewal Fee of Two Thousand Dollars ($2,000.00);

(7) Franchisee has complied with Franchisor's then-current qualification and training requirements;

(8) Franchisee has executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates, if any, and their respective officers, directors, agents and employees; and

(9) Franchisee has satisfied the Annual Performance Benchmarks for each Franchise Year during the initial term or previous renewal term, as applicable.

3. FRANCHISED BUSINESS LOCATION

A. Operation of Franchised Business

Franchisee understands the importance of complying with all of Franchisor's standards, specifications, policies and procedures relating to the operation of the Franchised Business.

B. Selection of Location by Franchisee

Franchisee will be responsible for securing a suitable location for the Franchised Business; however, Franchisor must approve such location in writing prior to any purchase or lease. This approval will not be unreasonably withheld.

C. Opening of Franchised Business

Within thirty (30) days from the Effective Date, Franchisee must have selected a business location suitable to him/her and agreeable to Franchisor, secured all necessary occupational licenses and/or zoning approvals for the location, opened the Franchised Business, and commenced operations. Time is of the essence. In the event Franchisee does not meet each of the obligations described above within the time period allowed, then this Agreement may be terminated by Franchisor. Prior to opening, Franchisee shall complete to Franchisor's satisfaction all preparations of the System in accordance with specifications set forth in the Manuals (as defined in Section 7 of this Agreement), including the acquisition of supplies and, inventory as required by Franchisor, the completion of the required Quick Start training program and a one (1) day software training program. Franchisee must submit a business plan for the CHRISTMAS DECOR franchise by the later of September 1 or ten (10) business days after completing the Christmas Decor Quick Start Training program.

4. EQUIPMENT AND MATERIALS

A. Use of Proper Equipment and Materials

Franchisor will provide Franchisee with specifications for brands and types of any equipment, printed forms and promotional materials, required for the Franchised Business, all of which may be modified from time to time.

B. Specification Standards For Equipment

Franchisee shall comply with all specifications for types of equipment, inventory, printed forms and promotional materials and for Franchisor's approved apparel used in the Franchised Business and shall purchase all equipment, printed forms, promotional materials, apparel and other items and supplies only from vendors who have been designated "Approved Suppliers" by Franchisor as provided in Section 13 of this Agreement.

5. TRAINING REQUIREMENTS AND ASSISTANCE BY FRANCHISOR

A. Training

Unless otherwise approved by Franchisor, Franchisee shall attend and successfully complete, to Franchisor's satisfaction, within thirty (30) days following the Effective Date, and prior to offering Holiday Lighting Services, Franchisor's regularly scheduled training and familiarization course ("Quick Start Training") for the Franchised Business which includes, in addition to other training, a one (1) day software training course to be conducted at Franchisor's headquarters. Franchisee (or an owner/operator of Franchisee if Franchisee is a legal entity) **must** attend and successfully complete the Quick Start Training program. The Quick Start Training sessions will cover all material aspects of the operation of the Franchised Business, including introduction and orientation to the System, financial controls, promotion and sales methods, other marketing techniques, service and operational techniques, systems and methods, deployment of salespeople and other personnel, and maintenance of quality standards. Franchisor shall make training available to Franchisee's owner/operator and up to two (2) additional employees.

B. Non-Completion of Quick Start Training by Franchisee

If Franchisor determines, in its sole discretion, that Franchisee (including Franchisee's owner/operator if Franchisee is a legal entity) is unable to satisfactorily complete the Quick Start Training program described above, Franchisor shall have the right to terminate this Agreement as set forth in Section 16.B. of this Agreement. If this Agreement is terminated pursuant to this subsection, Franchisor shall return to Franchisee the Initial Franchise Fee (or the applicable portion thereof) paid by Franchisee to Franchisor minus the expenses incurred by Franchisor as of such date for providing training to Franchisee and other expenses incurred by Franchisor. Upon the return of said amount, Franchisor, its affiliates, and their respective officers, directors, and owners (the "Released Parties") shall be fully and forever released from any and all claims or causes of action the Franchisee may have against the Released Parties, including, without limitation, claims under, arising out of, or pursuant to the Franchise Agreement, including its offer and sale and the relationship created by the Franchise Agreement. Following termination, Franchisee shall have no further right, title or interest in the Franchise and Franchisee shall comply with all post-termination obligations, including the return of all Manuals (including videos and CD Roms), computer software (if applicable), and start-up kit items.

C. Additional or Refresher Training; Seminars and Conferences

Franchisee shall complete, and/or shall cause those of its employees required by Franchisor to complete, to Franchisor's satisfaction and at such times as Franchisor may require, such other additional training as Franchisor may reasonably require from time to time, including, without limitation, training with respect to Ancillary Lighting Services. Additionally, from time to time, Franchisor may require previously trained and experienced franchisees, their managers, contractors or employees to attend and successfully complete refresher training programs, seminars or conferences. All additional or refresher training programs, seminars, or conferences shall be conducted at the place and in the manner designated by Franchisor, including, without limitation, online or at Franchisor's headquarters or such other location as may be determined by Franchisor. Franchisor reserves the right to charge a reasonable fee for any additional or refresher training course, seminar or conference; however, payment of the Initial Franchise Fee for each Franchised Business includes the fee (but not the related attendance costs) for one conference for such Franchised Business in the First Franchisee Year.

As further provided in Section 14.G., for each Franchised Business which is the subject of this Agreement, Franchisor requires, and Franchisee acknowledges and agrees that Franchisee or an employee of Franchisee satisfactory to Franchisor, must attend at least one (1) regional continuing education program and two (2) annual National Conferences during the five (5) year initial term, and any renewal term, of this Agreement, one (1) of which must be attended during the second (2nd) franchise year. Franchisees attending the annual National Conference in their second (2nd) franchise year must also attend the designated refresher course in conjunction with the conference. In the event Franchisee or its employee fails to do so, for each program or conference missed, Franchisee shall, within a reasonable period of time specified by Franchisor, review conference/continuing education materials in an online program provided by Franchisor at the then-current access charge as a substitute for each program or conference missed. If Franchisee or its approved employee fails to complete the approved online training program within the time specified by Franchisor, Franchisee may be required by Franchisor to pay an additional sum equal to the current access charge. Further, if Franchisee or its employee has missed more than one (1) continuing education class or annual National Conference during the term of the Franchise Agreement, Franchisee will be required to attend a "refresher course" as a condition to renewal. Persons attending training will be required to sign a non-disclosure agreement (satisfactory in form and substance to Franchisor and its counsel) acknowledging that they will be receiving Confidential/Proprietary information during all training sessions and that they must keep such information confidential at all times and use such Confidential/Proprietary Information only in the operation of the Franchised Business.

D. Training Costs

Franchisee shall pay all costs incurred by it and its employees in attending any Quick Start Training or additional or refresher training programs, seminars or conferences, including, without limitation, the attendees' travel, room, meals and wages together with any applicable fee then currently charged by Franchisor.

6. PROPRIETARY NAMES AND MARKS

A. Franchisor's Ownership of Names and Marks

Franchisee acknowledges and agrees that Franchisor is the owner of, or has the right to use and sublicense the use of, the Marks and Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor from time to time during the term of this Agreement. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee acknowledges and agrees that all usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor and that this Agreement does not confer any goodwill or other interests in the Marks upon Franchisee. Franchisee shall not, at any time during the term of this Agreement, or after its termination or expiration, contest the validity or ownership of any of the Marks or assist another person in contesting the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks apply to any additional trademarks, service marks, and commercial symbols Franchisor authorizes for use by Franchisee after the date of this Agreement.

B. Franchisee's Use of Names and Marks

Franchisee shall not use any Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs, symbols, or in any modified form, nor may Franchisee use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in the Manuals or otherwise in writing by Franchisor. Franchisee agrees to give such notices of trademark and service mark registrations as Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law. Franchisee shall not use any of the Marks in any manner which has not been specified or approved by Franchisor. Franchisee agrees that this Agreement does not convey any right or property interest in the Marks licensed hereunder.

On or before the Effective Date, Franchisee must submit to Franchisor for its approval a proposed assumed name under which the Franchised Business will be operated. The assumed name must follow a naming convention that describes either (i) the geographic area served by the Franchised Business; e.g., "CHRISTMAS DECOR of ________________" - description of geographic region being serviced (for example, "CHRISTMAS DECOR of SW Lubbock") or (ii) combines the name of the Franchisee's Other Business with the Franchised Business name; e.g., "CHRISTMAS DECOR by ________________________" (for example "CHRISTMAS DECOR by Bob's Landscaping"). The geographic description must not already be in use and must reasonably describe Franchisee's Service Territory.

Franchisee shall not use the Marks or any abbreviation or other name associated with Franchisor or the System as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Franchisor's written consent as to the content of such e-mail advertisements or solicitations as well as Franchisee's plan for transmitting such advertisements. In addition, Franchisee shall be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act of 2003").

C. <u>Unauthorized Use of Names and Marks</u>

Franchisee shall immediately notify Franchisor in writing of any apparent infringement of or challenge to Franchisee's use of the Marks and of any claim by any person of any right in the Marks or any similar trade name, trademark, or service mark of which Franchisee becomes aware. Franchisee shall not directly or indirectly communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge, or claim. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark proceeding or other administrative proceeding arising out of such infringement, challenge or claim or otherwise relating to the Marks. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain the interests of Franchisor in any such litigation, U.S. Patent and Trademark proceeding, or other administrative proceeding or to otherwise protect and maintain the interests of Franchisor in the Marks.

D. <u>Franchisor's Right to Modify</u>

If it becomes advisable at any time in Franchisor's sole discretion, for Franchisor and/or Franchisee to modify or discontinue use of the Marks (or any of them), and/or use one or more additional or substitute trade name, trademark, service mark, or other commercial symbol, Franchisee agrees to comply with Franchisor's directions within a reasonable time after notice to Franchisee by Franchisor. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of the Marks.

7. <u>CONFIDENTIAL OPERATIONS/TRAINING MANUAL</u>

Franchisor shall give to Franchisee access to one (1) copy of the operations manual, either in electronic form or a hard copy, and any associated videotapes, audiotapes, CD Roms, and ancillary media which may cover such topics as Pre-Opening Procedures, Daily Operations, Marketing, and additional topics as may be incorporated in such manual from time to time, as Franchisor deems necessary (collectively the "Manual"). The Manual will remain confidential and the property of Franchisor and may not be duplicated, loaned out, or copied in whole or in part in any manner. Franchisor will have the right to add to and otherwise modify the Manual from time to time, as it deems necessary, provided that no such addition or modification will alter the Franchisee's fundamental status and rights under this Agreement. Franchisee agrees to comply with all terms and conditions of the Manual, as may be amended by Franchisor from time to time. Alterations to the Manual may be made available to franchisees by any reasonable means used by Franchisor, including via the internet.

8. <u>CONFIDENTIAL/PROPRIETARY INFORMATION</u>

A. <u>Franchisee Will Learn Confidential/Proprietary Information</u>

Franchisee acknowledges that, in the course of operating the Franchised Business, Franchisee will obtain knowledge of certain confidential and/or proprietary matters, techniques and business procedures of Franchisor ("Confidential/Proprietary Information") including, without limitation, knowledge regarding the System, marketing techniques, financial controls, training, and the

Manual. Franchisee further acknowledges that such Confidential/Proprietary Information was not known to Franchisee prior to the Effective Date of this Agreement, that the methods of Franchisor are distinctive to the System, are necessary and essential to the operation of the Franchised Business and offer Franchisee a competitive advantage, and that without such Confidential/Proprietary Information Franchisee could not effectively and efficiently operate the Franchised Business. During the term of this Agreement and after the termination or expiration (without renewal) of this Agreement, Franchisee agrees that, except as expressly provided in Section 8.C. of this Agreement, Franchisee will not disclose to anyone, directly or indirectly, any Confidential/Proprietary Information, without the prior written consent of Franchisor. Franchisee further agrees that, at all times during the term of this Agreement, Franchisee will use such Confidential/Proprietary Information solely in connection with the operation of the Franchised Business and not otherwise, and Franchisee will immediately cease use of such Confidential/Proprietary Information upon the termination or expiration (without renewal) of this Agreement.

B. <u>New Developments</u>

If Franchisee or its employees develop any new concept, process or improvement in the operation or promotion of the Franchised Business, Franchisee agrees to promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Franchisee acknowledges that any such concept, process or improvement will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate. Franchisee agrees to execute, and cause its employees to execute, any and all documentation required by Franchisor to implement this provision.

C. <u>Franchisee's Employees Will Not Disclose Confidential/Proprietary Information</u>

Franchisee may disclose the Confidential/Proprietary Information only to such of its employees, agents and representatives as must have access to it in order to operate the Franchised Business. Before disclosing any such Confidential/Proprietary Information to an employee, agent, or representative of Franchisee, Franchisee shall obtain from each such person, a non-disclosure agreement (adapted by Franchisee to conform to relevant state law requirements and satisfactory in form and substance to Franchisor and Franchisor's counsel) that such person shall not, during the course of his or her employment, representation, or agency with Franchisee and thereafter, use, (except in the conduct of the Franchised Business during the term of this Agreement) divulge, disclose, copy or communicate, directly or indirectly, any of the Confidential/Proprietary Information of Franchisor in any form or manner, to any person or legal entity.

D. <u>Franchisor's Copyrights</u>

Franchisor claims copyright protection in and to the Manual, certain marketing, sales, and operations literature, and any computer software programs and other materials Franchisor may develop in the future. All such materials shall be considered part of Franchisor's Confidential/Proprietary Information.

E. <u>Customer Lists</u>

Franchisee agrees that the lists all customer names; service, billing and shipping addresses; service, billing and shipping phone numbers; customer sales dollars and other information regarding the customers of the Franchised Business (the "Customer Lists") shall be Franchisor's sole property and will constitute a part of the Confidential/Proprietary Information. Franchisee agrees that, during the term of this Agreement, it will not disclose the Customer Lists, or any portion thereof, to any person other than Franchisor and those of Franchisee's employees who must have access to the Customer Lists to perform their duties, and that after the term and expiration (without renewal) of this Agreement, Franchisee shall make available to Franchisor, the Customer Lists and the entire customer file, including job-site maps, and shall not use the Customer Lists or disclose the Customer Lists to anyone. Franchisee further agrees that Franchisor has the right to request, and upon such request Franchisee shall provide to Franchisor, the Customer Lists at any time during the term of this Agreement and in any format determined by Franchisor. Franchisee acknowledges that Franchisor also has the right to contact all customers of the Franchised Business from time to time to conduct customer satisfaction, marketing, or other surveys deemed by Franchisor to be necessary or advisable to promote the CHRISTMAS DECOR Business and brand.

Anything in this Section 8.E. to the contrary notwithstanding, Franchisor and Franchisee agree that, to the extent the Customer Lists include names, billing and service addresses, and other information for persons who are customers of both the Franchised Business and any Other Business (as defined below) operated by Franchisee, Franchisee shall jointly own and may continue to use the information relevant to the operation of such Other Business, solely in connection therewith, and provided that, in no event shall any such information be used in connection with the sale, installation or servicing of Holiday Lighting Services. For the avoidance of doubt, if Franchisee owns an Other Business which is a landscape business and elects to provide Landscape Lighting Services under this Agreement, all customers to which such services are provided shall be deemed to be customers of both such Other Business and the Franchised Business. An "Other Business" is any business operated by Franchisee at the Effective Date of this Agreement, including any landscape business, which provides any necessary resources to the Franchised Business, which does not violate the restrictive covenants set forth in Article 18 of this Agreement, and which has been disclosed to and acknowledged by Franchisor as an "Other Business". A description of any such Other Business shall be entered on Exhibit A to this Agreement.

Upon the termination or expiration (without renewal) of this Agreement, Franchisee acknowledges and agrees that Franchisor may assign the Customer Lists to another franchisee for the sole purpose of providing Holiday Lighting Services. Franchisor will use commercially reasonable efforts to obtain from such other franchisee an agreement not to solicit customers listed on the Customer Lists for any purpose other than the provision of said services.

F. Injunctive Relief Available to Franchisor

Franchisee's obligations under this Section 8 shall survive the expiration (without renewal) termination or transfer of this Agreement and any interest therein. Franchisee acknowledges that any failure to comply with the requirements of this Article 8 will cause Franchisor irreparable injury and Franchisor shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements. Franchisee agrees to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining specific performance of, or an injunction against, violation of requirements of this Article 8. The foregoing remedies shall be in addition to any other legal or equitable remedies which Franchisor may possess.

9. MODIFICATION OF THE SYSTEM

Franchisee recognizes and agrees that from time to time hereafter Franchisor may change or modify the System as presently described in the Manuals, and the Marks, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new computer programs, computer hardware and systems, new equipment or new techniques. Franchisee will accept and use for the purpose of this Agreement any such changes in the System, as if they were part of this Agreement as of the Effective Date. Franchisee will make such expenditures as such changes or modifications in the System may reasonably require. Franchisee shall not change, modify or alter in any way the System, without the prior written consent of Franchisor.

10. ADVERTISING AND PROMOTION

Recognizing the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of the Franchised Business and all businesses operating under the System, Franchisee agrees to actively advertise the Franchised Business at Franchisee's expense.

Franchisee shall place local advertising in any media it desires, provided that all such advertising conforms to the standards and requirements of Franchisor as set forth in the Manual or as otherwise designated by Franchisor. All advertising must use the approved naming convention set forth in Section 6.B. Franchisee shall obtain Franchisor's prior approval of all unapproved advertising and promotional plans and materials that Franchisee desires to use ten (10) business days before beginning to use any such plans or materials. Franchisee shall submit such unapproved plans and materials to Franchisor (by personal delivery, e-mail or through the mail, return receipt requested). Franchisee shall promptly discontinue use of any advertising or promotional plans or materials upon the request of Franchisor. Any plans or materials submitted by Franchisee to Franchisor which have not been approved or disapproved in writing within ten (10) days of receipt thereof by Franchisor, shall be deemed approved. Franchisor may revoke its approval of any previously approved advertising and promotional plans or materials and upon receipt thereof Franchisee shall promptly discontinue its use of such materials.

Franchisee also shall contribute to the Marketing Development Fund, described in Section 11.C. below.

In addition to its expenditures for local advertising described above and to its contributions to the Marketing Development Fund(s) described in Section 11.C., Franchisee agrees to participate in any national, regional or local advertising or promotional programs that have been approved by a majority of Franchisor's franchisees and to promptly remit the required funds as directed by Franchisor for such purpose.

11. ON-GOING FEES

When used in this Article 11 and elsewhere in this Agreement, the following initially capitalized terms shall have the meanings given to them below:

A. Certain Definitions

(1) First Franchise Year

The term "First Franchise Year" shall mean the period beginning on the Effective Date of this Agreement and continuing through the final day of December of the year in which the Effective Date occurs.

(2) Franchise Year

Except with respect to the First Franchise Year defined above, the term "Franchise Year" shall mean the period beginning on the first day of January and continuing through the final day of December of each calendar year.

(3) Gross Sales

The term "Gross Sales" shall mean all revenues from the sale of lighting and decorating services and products of any nature or kind relating to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit; provided however that "Gross Sales" shall not include any sales tax or other taxes collected by the Franchised Business and paid to the appropriate taxing authority. "Gross Sales attributable to Holiday Lighting Services" shall mean all Gross Sales of the Franchised Business derived from the provision of Holiday Lighting Services. Any properties serviced outside the Service Territory shall be included in the Annual Gross Sales reported by Franchisee to Franchisor.

B. Royalty Fees

In consideration of the license granted, Franchisee agrees to remit to Franchisor a Royalty Fee for the First Franchise Year, and each succeeding Franchise Year in an amount equal to five percent (5%) of the actual annual Gross Sales of the Franchised Business or a minimum as described in subsection (2) below, whichever is greater. The Royalty Fee is payable as follows:

(1) Standard Market Territory

A Holiday Lighting Services Royalty Fee for the First Franchise Year, and each succeeding Franchise Year in an amount equal to five percent (5%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services or a minimum as described in subsection (2) below, whichever is greater. The Holiday Lighting Services Royalty Fee is payable as follows:

(a) First Franchise Year

The Holiday Lighting Services Royalty Fee for the First Franchise Year shall be remitted to Franchisor in a lump sum on or before January 20 of the year following the First Franchise Year.

(b) Second and Subsequent Franchise Years

Minimum royalty fees for the Second and each Subsequent Franchise Year shall be based on Franchisee's annual Gross Sales for the Franchised Business, attributable to Holiday Lighting Services as follows:

(i) Gross Sales attributable to Holiday Lighting Services $0.00 - $100,000.00

For each year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between Zero Dollars ($0.00) and One Hundred Thousand Dollars ($100,000.00), Franchisee shall remit to Franchisor Holiday Lighting Services Royalty Fees in an amount equal to a minimum of Three Thousand Fifty Dollars ($3,050.00) or five percent (5%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum payments as described below are based on Franchisee's previous year's gross sales.

Franchisee shall remit to Franchisor eight (8) payments of Two Hundred Fifty Dollars ($250.00) each on the first day of each month beginning

February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Three Hundred Fifty Dollars ($350.00).

(ii) <u>Gross Sales attributable to Holiday Lighting Services $100,001.00 - $150,000.00</u>

For each year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between One Hundred Thousand and One Dollar ($100,001.00) and One Hundred Fifty Thousand Dollars ($150,000.00), Franchisee shall remit to Franchisor an amount equal to a minimum of Three Thousand Nine Hundred Fifty Dollars ($3,950.00) or five percent (5%) of the actual annual Gross Sales of the Franchised Business, attributable to Holiday Lighting Services whichever is greater. Minimum payments as described below are based on Franchisee's previous year's gross sales.

Franchisee shall remit to Franchisor eight (8) payments of Two Hundred Fifty Dollars ($250.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Six Hundred Fifty Dollars ($650.00).

(iii) <u>Gross Sales attributable to Holiday Lighting Services $150,001.00 - $200,000.00</u>

For each year that Franchisee's gross sales are between One Hundred Fifty Thousand and One Dollar ($150,001.00) and Two Hundred Thousand Dollars ($200,000.00), Franchisee shall remit to Franchisor an amount equal to a minimum of Five Thousand Dollars ($5,000.00) or five percent (5%) of the actual annual Gross Sales of the Franchised Business, whichever is greater. Minimum payments as described below are based on Franchisee's previous year's gross sales.

Franchisee shall remit to Franchisor eight (8) payments of Two Hundred Fifty Dollars ($250.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to One Thousand Dollars ($1,000.00).

(iv) <u>Gross Sales attributable to Holiday Lighting Services greater than $200,000.00</u>

For each year that Franchisee's Gross Sales attributable to Holiday Lighting Services are greater Two Hundred Thousand Dollars ($200,000.00), Franchisee shall remit to Franchisor an amount equal to a minimum of Six Thousand Nine Hundred Fifty Dollars ($6,950.00) or five percent (5%) of the actual annual Gross Sales of the Franchised Business, attributable to Holiday Lighting Services whichever is greater. Minimum payments as described below are based on Franchisee's previous year's gross sales.

Franchisee shall remit to Franchisor eight (8) payments of Two Hundred Fifty Dollars ($250.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to One Thousand Six Hundred Fifty Dollars ($1,650.00).

(c) <u>Reconciliation Procedure</u>

On or before January 20 following each Franchise Year, Franchisor and Franchisee shall calculate the actual amount of the Holiday Lighting Services Royalty Fees due in accordance with this Section 11.B. Franchisee shall remit to Franchisor any difference between the Holiday Lighting Services Royalty Fees due for such Franchise Year and the Holiday Lighting Services Royalty Fees paid during such Franchise Year.

(2) <u>Community Market Territory</u>

A Holiday Lighting Services Royalty Fee for the First Franchise Year, and each succeeding Franchise Year in an amount equal to five percent (5%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services or a minimum as described in subsection (2) below, whichever is greater. The Holiday Lighting Services Royalty Fee is payable as follows:

(a) <u>First Franchise Year</u>

The Holiday Lighting Services Royalty Fee for the First Franchise Year shall be remitted to Franchisor in a lump sum on or before January 20 of the year following the First Franchise Year.

(b) <u>Second and Subsequent Franchise Years</u>

Minimum royalty fees for the Second and each Subsequent Franchise Year shall be based on Franchisee's annual Gross Sales for the Franchised Business, attributable to Holiday Lighting Services as follows:

(i) <u>Gross Sales attributable to Holiday Lighting Services $0.00 - $100,000.00</u>

For each year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between Zero Dollars ($0.00) and One Hundred Thousand Dollars ($100,000.00), Franchisee shall remit to Franchisor Holiday Lighting Services Royalty Fees in an amount equal to a minimum of Two Thousand Seven Hundred Fifty Dollars ($2,750.00) or five percent (5%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum payments as described below are based on Franchisee's previous year's gross sales.

Franchisee shall remit to Franchisor eight (8) payments of Two Hundred Fifty Dollars ($250.00) each on the first day of each month beginning

February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Two Hundred Fifty Dollars ($250.00).

(ii) <u>Gross Sales attributable to Holiday Lighting Services $100,001.00 - $150,000.00</u>

For each year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between One Hundred Thousand and One Dollar ($100,001.00) and One Hundred Fifty Thousand Dollars ($150,000.00), Franchisee shall remit to Franchisor an amount equal to a minimum of Three Thousand Fifty Dollars ($3,050.00) or five percent (5%) of the actual annual Gross Sales of the Franchised Business, attributable to Holiday Lighting Services whichever is greater. Minimum payments as described below are based on Franchisee's previous year's gross sales.

Franchisee shall remit to Franchisor eight (8) payments of Two Hundred Fifty Dollars ($250.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Three Hundred Fifty Dollars ($350.00).

(iii) <u>Gross Sales attributable to Holiday Lighting Services $150,001.00 - $200,000.00</u>

For each year that Franchisee's gross sales are between One Hundred Fifty Thousand and One Dollar ($150,001.00) and Two Hundred Thousand Dollars ($200,000.00), Franchisee shall remit to Franchisor an amount equal to a minimum of Three Thousand Five Hundred Dollars ($3,500.00) or five percent (5%) of the actual annual Gross Sales of the Franchised Business, whichever is greater. Minimum payments as described below are based on Franchisee's previous year's gross sales.

Franchisee shall remit to Franchisor eight (8) payments of Two Hundred Fifty Dollars ($250.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Five Hundred Dollars ($500.00).

(iv) <u>Gross Sales attributable to Holiday Lighting Services greater than $200,000.00</u>

For each year that Franchisee's Gross Sales attributable to Holiday Lighting Services are greater Two Hundred Thousand Dollars ($200,000.00), Franchisee shall remit to Franchisor an amount equal to a minimum of Four Thousand Two Hundred Fifty Dollars ($4,250.00) or five percent (5%) of the actual annual Gross Sales of the Franchised Business, attributable to Holiday Lighting Services whichever is greater. Minimum payments as described below are based on Franchisee's previous year's gross sales.

Franchisee shall remit to Franchisor eight (8) payments of Two Hundred Fifty Dollars ($250.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Seven Hundred Fifty Dollars ($750.00).

(c) <u>Reconciliation Procedure</u>

On or before January 20 following each Franchise Year, Franchisor and Franchisee shall calculate the actual amount of the Holiday Lighting Services Royalty Fees due in accordance with this Section 11.B. Franchisee shall remit to Franchisor any difference between the Holiday Lighting Services Royalty Fees due for such Franchise Year and the Holiday Lighting Services Royalty Fees paid during such Franchise Year.

(3) <u>Late Charges</u>

Any Franchisee who fails to report any Gross Sales for a Franchise Year and remit any balance due by January 20 will be assessed a fee of Five Hundred Dollars ($500.00) per occurrence plus a late fee of Fifty Dollars ($50.00) per month that reporting and/or remittance is delinquent, in addition to any interest fees otherwise due hereunder. This fee is in lieu of the late charge fee provided for in Section 11.D.

C. <u>Marketing Development Fund</u>

Franchisor has established a Marketing Development Fund ("MDF") to market, advertise and promote Holiday Lighting Services. Franchisee agrees to contribute to the MDF for the First Franchise Year, and each succeeding Franchise Year an amount equal to one percent (1%) of the actual annual Gross Sales of the Franchised Business or a minimum as described in subsection (2) below, whichever is greater. The MDF contribution is payable as follows:

(1) <u>Standard Market Territory</u>

MDF Contributions for the First Franchise Year, and each succeeding Franchise Year in an amount equal to one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services or a minimum as described in subsection (2) below, whichever is greater. The Holiday Lighting Services MDF Contribution is payable as follows:

(a) <u>First Franchise Year</u>

The MDF Contribution for the First Franchise Year shall be paid to Franchisor in a lump sum on or before January 20 of the year following the First Franchise Year.

(b) <u>Second and Subsequent Franchise Years</u>

MDF Contributions for the Second and each Subsequent Franchise Year shall be based on Franchisee's annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services as follows:

(i) **<u>Gross Sales attributable to Holiday Lighting Services $0.00 - $100,000.00</u>**

For each Franchise Year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between Zero Dollars ($0.00) and One Hundred Thousand Dollars ($100,000.00), Franchisee shall contribute to the MDF an amount equal to a minimum of Six Hundred Forty Dollars ($640.00) as described below or one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services.

Franchisee shall remit to Franchisor eight (8) payments of Fifty Dollars ($50.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Eighty Dollars ($80.00).

(ii) **<u>Gross Sales attributable to Holiday Lighting Services $100,001.00 - $150,000.00</u>**

For each Franchise Year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between One Hundred Thousand and One Dollar ($100,001.00) and One Hundred Fifty Thousand Dollars ($150,000.00), Franchisee shall contribute to the MDF an amount equal to a minimum of Eight Hundred Fifty Dollars ($850.00) as described below or one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services.

Franchisee shall remit to Franchisor eight (8) payments of Fifty Dollars ($50.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to One Hundred Fifty Dollars ($150.00).

(iii) **<u>Gross Sales attributable to Holiday Lighting Services $150,001.00 - $200,000.00</u>**

For each Franchise Year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between One Hundred Fifty Thousand and One Dollar ($150,001.00) and Two Hundred Thousand Dollars ($200,000.00), Franchisee shall contribute to the MDF an amount equal to a minimum of One Thousand Dollars ($1,000.00) as described below or one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services.

Franchisee shall remit to Franchisor eight (8) payments of Fifty Dollars ($50.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Two Hundred Dollars ($200.00).

(iv) **Gross Sales attributable to Holiday Lighting Services greater than $200,000.00**

For each Franchise Year that Franchisee's Gross Sales attributable to Holiday Lighting Services are greater Two Hundred Thousand Dollars ($200,000.00), Franchisee shall contribute to the MDF an amount equal to a minimum of One Thousand One Hundred Fifty Dollars ($1,150.00) as described below or one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services.

Franchisee shall remit to Franchisor eight (8) payments of Fifty Dollars ($50.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Two Hundred Fifty Dollars ($250.00).

(c) **Annual Reconciliation**

On or before January 20 following each Franchise Year, Franchisor and Franchisee shall calculate the actual amount of the MDF contribution due in accordance with this Section 11.C. Franchisee shall remit to Franchisor any difference between the MDF contribution due for such franchise year and the MDF contribution paid during such franchise year.

(2) **Community Market Territory**

MDF Contributions for the First Franchise Year, and each succeeding Franchise Year in an amount equal to one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services or a minimum as described in subsection (2) below, whichever is greater. The Holiday Lighting Services MDF Contribution is payable as follows:

(a) **First Franchise Year**

The MDF Contribution for the First Franchise Year shall be paid to Franchisor in a lump sum on or before January 20 of the year following the First Franchise Year.

(b) **Second and Subsequent Franchise Years**

MDF Contributions for the Second and each Subsequent Franchise Year shall be based on Franchisee's annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services as follows:

(i) **<u>Gross Sales attributable to Holiday Lighting Services $0.00 - $100,000.00</u>**

For each Franchise Year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between Zero Dollars ($0.00) and One Hundred Thousand Dollars ($100,000.00), Franchisee shall contribute to the MDF an amount equal to a minimum of Five Hundred Fifty Dollars ($550.00) as described below or one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services.

Franchisee shall remit to Franchisor eight (8) payments of Fifty Dollars ($50.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Fifty Dollars ($50.00).

(ii) **<u>Gross Sales attributable to Holiday Lighting Services $100,001.00 - $150,000.00</u>**

For each Franchise Year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between One Hundred Thousand and One Dollar ($100,001.00) and One Hundred Fifty Thousand Dollars ($150,000.00), Franchisee shall contribute to the MDF an amount equal to a minimum of Six Hundred Forty Dollars ($640.00) as described below or one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services.

Franchisee shall remit to Franchisor eight (8) payments of Fifty Dollars ($50.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to Eighty Dollars ($80.00).

(iii) **<u>Gross Sales attributable to Holiday Lighting Services $150,001.00 - $200,000.00</u>**

For each Franchise Year that Franchisee's Gross Sales attributable to Holiday Lighting Services are between One Hundred Fifty Thousand and One Dollar ($150,001.00) and Two Hundred Thousand Dollars ($200,000.00), Franchisee shall contribute to the MDF an amount equal to a minimum of Seven Hundred Dollars ($700.00) o as described below r one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services.

Franchisee shall remit to Franchisor eight (8) payments of Fifty Dollars ($50.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to One Hundred Dollars ($100.00).

(iv) **<u>Gross Sales attributable to Holiday Lighting Services greater than $200,000.00</u>**

For each Franchise Year that Franchisee's Gross Sales attributable to Holiday Lighting Services are greater Two Hundred Thousand Dollars ($200,000.00), Franchisee shall contribute to the MDF an amount equal to a minimum of Eight Hundred Fifty Dollars ($850.00) as described below or one percent (1%) of the actual annual Gross Sales of the Franchised Business attributable to Holiday Lighting Services, whichever is greater. Minimum contributions are based on Franchisee's previous Franchise Year's Gross Sales attributable to Holiday Lighting Services.

Franchisee shall remit to Franchisor eight (8) payments of Fifty Dollars ($50.00) each on the first day of each month beginning February 1 through September 1 and shall remit to Franchisor three (3) final payments on October 1, November 1 and December 1, each equal to One Hundred Fifty Dollars ($150.00).

(c) **<u>Annual Reconciliation</u>**

On or before January 20 following each Franchise Year, Franchisor and Franchisee shall calculate the actual amount of the MDF contribution due in accordance with this Section 11.C. Franchisee shall remit to Franchisor any difference between the MDF contribution due for such franchise year and the MDF contribution paid during such franchise year.

(3) **<u>Increase in MDF Contributions</u>**

Franchisee's required contributions to the MDF can be increased upon the recommendation of Franchisor and ratification of the recommended increase by fifty-one percent (51%) of the franchisees in the applicable System then in good standing. As used herein, "good standing" means Franchisee is current on all payments due to Franchisor, its affiliates and Franchisee's suppliers; Franchisee has passed Franchisor's most recent inspection and is otherwise in compliance with Franchisor's standards and procedures set forth in the Manual; and Franchisee is not in default of this Agreement or any other agreement between Franchisee and Franchisor or its affiliates.

(4) **<u>Administration of the Marketing Development Fund</u>**

Franchisor shall oversee all advertising and promotional programs and shall have the sole discretion to approve or disapprove any creative concept, materials, methods, and media used in such programs, and the placement and allocation thereof. Franchisee agrees and acknowledges that the MDF is intended to maximize national public recognition and acceptance of the Marks for the benefit of the System and its franchisees. Franchisor undertakes no obligation in administering the MDF to make expenditures for Franchisee which are equivalent or proportionate to its contribution, or to insure that Franchisee benefits directly or pro-rata from advertising or promotion conducted under the MDF.

The MDF, all contributions thereto, and earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, and preparing advertising activities (including the costs of preparing and conducting advertising campaigns in various media); sponsorship, marketing surveys and other public relations activities; employing advertising agencies to assist therein; and providing and developing promotional brochures and other marketing materials to the franchisees operating under the System and any other activities which in the opinion of Franchisor will continue towards national public recognition including, without limitation, any toll-free telephone number and/or an internet web site and/or franchise locator which may be established by Franchisor. All funds contributed by the Franchisee to the MDF and any earnings thereon shall be accounted for separately from the other monies of Franchisor, shall not inure to the benefit of Franchisor and shall not be used to defray any of Franchisor's expenses, except for such reasonable administrative costs and overhead (including, without limitation, portions of employees' salaries), if any, as Franchisor may incur in activities reasonably related to the administration or direction of the MDF and advertising programs for the franchisees and the System; however, Franchisor shall not be obligated to segregate the MDF funds for the CHRISTMAS DECOR System from Franchisor's general operating funds. For each company-owned business operating under the System (if any), Franchisor shall make contributions to the MDF on the same basis as required of comparable franchisee-owned businesses.

The MDF is not a trust or escrow account of Franchisor, and Franchisor has no fiduciary obligations regarding the MDF. Franchisor may account for the MDF separately, and a statement of the operations of the MDF, as shown on the books of Franchisor, shall be prepared annually by Franchisor's accounting department. Annual statements of operation of the MDF related to the Franchised Business subject to this Agreement shall be made available to Franchisee upon Franchisee's request.

Although the MDF is intended to be of perpetual duration, Franchisor maintains the right to terminate the MDF at any time or suspend collection of dues for a period of time. The MDF shall not be terminated, however, until all monies in the MDF have been expended for the purposes described in this Agreement.

D. <u>Interest for Late Payments; Late Fee</u>

Except as set for the in Section 11.B.(2)(c), if any payment or remittance due pursuant to this Agreement is overdue, Franchisee shall pay to Franchisor immediately upon demand, the overdue amount plus a Fifty Dollar ($50.00) late fee. In addition to the late fee, all amounts owed by Franchisee to Franchisor (including any amount owed pursuant to Section 11.B.) shall bear interest after their due date until paid at a rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. If Franchisor is ever deemed to have contracted for, charged, or received interest in an amount that exceeds the amount permitted under applicable law, then the excess amount shall be deemed to be, and shall be treated as, a payment of outstanding fees or other amounts due under this Agreement and, if no such amounts remain outstanding, any remaining excess shall be paid to Franchisee, as applicable. The foregoing shall be in addition to any other remedies Franchisor may possess. Franchisee acknowledges that this paragraph shall not constitute agreement by Franchisor to accept such payments after same are due or a commitment by Franchisor to extend credit to or otherwise finance Franchisee's operation of the Franchised

Business. Further, Franchisee acknowledges that his or her failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as provided in this Agreement.

E. Method of Payment

For all fees due under this Agreement, Franchisee agrees to execute an "Automatic Draft Agreement" or an "Automatic Credit Card Authorization" which instructs its financial institution or credit card company to accept automatic drafts in order to deduct the above-described fees from or charge such fees to Franchisee's account and deposit same to the account of Franchisor each and every payment date for the duration of this Franchise Agreement. A draft will be submitted for Franchisee's Royalty Fees and MDF contributions which are due. Franchisee further agrees to give Franchisor a copy of said instructions to its financial institution or credit card company and agrees not to alter said instructions to its financial institution or credit card company without the prior written consent of Franchisor. Franchisor must be notified in writing of any changes that will affect the draft agreement or late fees will apply.

F. Other Payment Terms

(1) Acceptance of Payments

Franchisor's acceptance of any payments or remittances due after the due date will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any of the terms, provisions, covenants or conditions of this Agreement.

(2) Application of Payments

Franchisor has the right to apply any payment or remittance it receives from Franchisee to any amounts Franchisee owes Franchisor or its affiliates under this Agreement or any other agreement, even if Franchisee has designated the payment or remittance for another purpose or account. Franchisor may accept any payment in any amount from Franchisee without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any payment, remittance or in any letter accompanying any payment or remittance or elsewhere will constitute or be considered as an accord or satisfaction.

(3) No Right to Withhold

Franchisee agrees that Franchisee will not withhold remittances of any Royalty Fees or payments of any other amounts of money owed to Franchisor for any reason, including on grounds of alleged nonperformance by Franchisor of any obligation under this Agreement.

(4) Franchisor's Right to Offset

Upon Franchisee's failure to pay to Franchisor as and when due any amounts provided for herein, Franchisor or its affiliates shall have the right, at their sole option, to deduct any and all such amounts remaining unpaid from any monies or credits held by Franchisor or its affiliates for the account of Franchisee.

(5) Additional Fees

If Franchisor is required to use a collection agency or attorney to collect money that Franchisee owes to Franchisor, Franchisee shall pay to Franchisor all damages, costs and expenses, including reasonable collection fees and costs and attorneys' fees, incurred by Franchisor in connection with collecting any amounts due under this Agreement and in obtaining any remedy available to Franchisor for any violation of this Agreement (including, without limitation, in obtaining injunctive or other relief for the enforcement of any post-termination provisions subsequent to the termination or expiration of this Agreement).

12. ACCOUNTING AND BOOKKEEPING RECORDS

A. Bookkeeping, Accounting, Records, and Reports

Franchisee shall maintain, during the term of this Agreement, and shall preserve for a minimum of five (5) years, full, complete, and accurate records of customer inquiries, sales, marketing activities, and accounts payable in accordance with the standard accounting system described by Franchisor in the Manual or otherwise specified in writing. Franchisee shall submit such reports as Franchisor may from time to time require, including surveys, reports of labor costs, material costs, gross profits, and net profits (such profit numbers to reflect amounts before any deductions for ownership draws or distributions), in the manner Franchisor may require, including, without limitation, via electronic means.

B. Submission of Financial Statements

Franchisee shall submit to Franchisor each calendar quarter during the term of this Agreement all report forms required by Franchisor as outlined in the Manual or during any training seminars. Each report shall be signed by Franchisee attesting that the report is true and correct. Franchisee shall also submit to Franchisor other forms, business plans, records, reports, information and data as Franchisor may reasonably require, in the form, and at the times and the places reasonably required by Franchisor, upon request, and as specified from time to time in the Manuals or otherwise in writing. Without limitation of the foregoing, Franchisor, in its discretion, may require Franchisee to submit electronic sales reports on a weekly basis during the holiday lighting season (October through March). In determining whether to require weekly sales reports, Franchisor will consider the feasibility of implementing such a requirement on a system-wide basis. Franchisee shall send to Franchisor a copy of its state sales tax reporting form within ten (10) days of the date such report is due in accordance with applicable state law and shall also submit to Franchisor a separate sales report detailing the sales and installation of any decorating and landscape lighting products billed during the same reporting period.

C. Audits

Franchisor shall have the right at any time during the term of this Agreement and for a period of two (2) years following the termination or expiration (without renewal) of this Agreement to audit (directly or through its authorized representatives) the books, records, accounts and inventory of Franchisee or any related entity which are, or in Franchisor's sole judgment may be, applicable to or used in connection with the Franchised Business. Should such an examination reveal that the Franchisee has understated any "Gross Sales" amount in any report then Franchisee shall immediately pay any additional fees owed together with interest thereon at the rate set forth in Section 11.D. above. In the event that such an examination or audit should reveal that reports have understated any “Gross Sales” amount by two percent (2%) or more, or in the event Franchisee fails to provide Franchisor or its representatives access to these books, records, accounts and inventory, the Franchisee also agrees to pay for all costs of such an examination or audit and any associated costs including but not limited to: travel, lodging, meals, accounting, and legal fees and costs, together with an audit administration fee of Three Thousand Dollars ($3,000.00).

D. Electronic Communication; Computer System; Software License; Electronic Access; Link with Other Business Website

(1) Electronic Communication

Franchisee shall at all times maintain with an approved internet service provider and shall provide to Franchisor a current e-mail address for each Franchised Business subject to this Agreement to enable Franchisor to communicate with Franchisee via e-mail. Franchisee acknowledges electronic medium will be the primary method of communication for the Franchised Business and System.

(2) Computer System; Software License

Without limiting the requirements of Section 13.C., at Franchisor’s request, Franchisee agrees to install and use at the Franchised Business the computer hardware and software (including DSL line or other dedicated network connection, high speed required, where available) that Franchisor may designate from time to time in the Manual or otherwise in writing for use in the operation of the Franchised Business (“Computer System”). The Internet Service Provider used in the Franchised Business must also be approved by Franchisor.

Franchisee is required to use and maintain Franchisor’s current proprietary software, and any upgrades to the software, during the term of this Agreement and any renewals of the Agreement. During the first year following the opening of the Franchise Business, Franchisor shall provide to Franchisee at no charge the initial license and first year of technical support for Franchisor’s proprietary software. Following the first year, Franchisee agrees to pay to Franchisor or its designee an annual license and software support fee as well as any other proprietary software required by Franchisor. Franchisee shall purchase and install any computer software which Franchisor may require for use in the Franchised Business.

(3) Electronic Access

Franchisee shall transmit to Franchisor or permit Franchisor to collect electronically information from the Computer System relating to Franchisee’s CHRISTMAS DECOR Business. At Franchisor’s request, Franchisee shall install and maintain at the Franchised Business a dedicated and reliable internet connection that Franchisor will use to access sales information and other data on the Computer System. Following installation of the Computer System, each transaction of the Franchised Business shall be processed on the Computer System in the manner prescribed by Franchisor from time to time. Franchisor will, at all times (including on a daily basis) have the right to access and retrieve all sales and other information relating to the Franchised Business from the Computer System and Franchisee agrees to take such action as may be necessary to provide such access to Franchisor.

(4) Link with Other Business Website

If Franchisee operates any Other Business in addition to the Franchised Business, then, upon Franchisor's approval of the Other Business website and at Franchisor's request, Franchisee shall provide a link to the CHRISTMAS DECOR website from the Other Business website and, after this link is provided, Franchisor will create a link to the Other Business website from Franchisee's CHRISTMAS DECOR front door webpage. Franchisee must provide a URL and any necessary artwork. All links, artwork, URLs and related materials must be approved by Franchisor. Franchisor may revoke its approval and require that the links contemplated hereby be discontinued at any time that such items (including the Other Business website) fail to continue to meet Franchisor's reasonable standards.

Without our prior written approval, which we may give or withhold in our sole discretion, you may not develop, create, generate, own, or otherwise use any computer and/or electronic media (including but not limited to the Internet, bulletin boards and news groups) in connection with the Franchised Business. If we grant our approval for your use of an Internet website, you acknowledge that the form, content and appearance of any Internet website you use must comply with the System standards and must be approved by us in writing before being used. Accordingly, you agree that you have no authority to, and you will not, establish any website that creates any association with the Marks or the System, or post any advertisements or material on the Internet that depict or display the Marks or suggest an association with the System, without our express prior written consent. Without limitation of the foregoing, if we require, any Internet website created by or for you must contain a hypertext link to our Internet website in the form we require, and no other hypertext links to third party Internet websites unless previously approved in writing by us. Notwithstanding our approval of a website, we reserve the right to revoke our approval at any time that the website fails to continue to meet our standards, and you agree that upon such revocation, you will immediately discontinue use of the website.

13. STANDARDS OF QUALITY AND PERFORMANCE

Franchisee shall comply with the entire CHRISTMAS DECOR System including, without limitation, the following:

A. Open Business in Thirty Days

Franchisee shall commence operation of the Franchised Business and begin to offer Holiday Lighting Services no later than thirty (30) days after the Effective Date, or as otherwise approved in writing by Franchisor. Prior to such opening, Franchisee shall have scheduled or completed the Quick Start Training course and purchased or leased and installed or cause to be installed all necessary equipment, internet access, telephone service, signage, inventory and other items, as required by Franchisor. Franchisee shall purchase the required initial inventory upon completion of Quick Start Training. Franchisee shall also submit to Franchisor a business plan for the CHRISTMAS DECOR Franchised Business, by September 1 or ten (10) business days following completion of Quick Start Training, whichever is later. If Franchisee for any reason fails to commence operations as herein provided, unless Franchisee is precluded from doing so by an event of force majeure (defined in Section 1.A.(2)), such failure shall be considered an event of default and Franchisor may terminate this Agreement.

B. Image of Franchised Business

Franchisee agrees to maintain the condition and appearance of the premises of the Franchised Business consistent with Franchisor's standards for the image of a business as an attractive, pleasant and comfortable business. Franchisee agrees to affect such reasonable maintenance of the Franchised Business, as is from time to time required to maintain the equipment or improve the appearance and efficient operation of the Franchised Business, including replacement of equipment, fixtures and furniture as may be necessary. If at any time in Franchisor's judgment the general state of repair or the appearance of the premises of the Franchised Business or its equipment, fixtures, furniture, signs, uniforms of service personnel or decor does not meet Franchisor's standards for such items, Franchisor shall notify Franchisee and shall specify the action to be taken by Franchisee to correct such deficiency. If Franchisee fails or refuses to initiate action to correct the deficiency within thirty (30) days after receipt of such notice, and thereafter continue a bona fide program to complete any required maintenance, Franchisor shall have the right (but not the obligation), in addition to all other remedies available to it, to enter upon the premises of the Franchised Business and effect such repairs, equipment, fixtures, furniture or signs on behalf of Franchisee, and Franchisee shall pay the entire costs thereof on demand. Franchisee's obligation to initiate and continue any required maintenance shall be suspended during any period in which such maintenance is impractical due to an event of force majeure (defined in Section 1.A.(2)(a)).

C. Required Purchases; Approved Manufacturers, Suppliers and Distributors

(1) Required Purchases

Franchisee shall, at Franchisee's expense, purchase or lease and install at the Franchised Business all, fixtures, equipment, furniture, computer terminals, hardware, software, and related equipment (including, without limitation, any proprietary software developed by or for Franchisor), communications systems, signs and other items specified by Franchisor for the System from time to time in the Manual or otherwise in writing, all of which comply with Franchisor's standards and specifications. Without limitation of the foregoing, all purchases of lights, garlands, wreaths, fasteners, clips, lighting fixtures, printing, electrical supplies, forms, apparel, signage, and other materials used in the operation of the Franchised Business shall conform to the specifications and quality standards established by Franchisor from time to time. Franchisee may only use such garlands, wreaths, fasteners, clips, lighting fixtures, printing, electrical supplies, forms, apparel, signage, and related items which meet Franchisor's specifications and quality standards and which are stated in Franchisor's approved list of equipment, printing and products approved by Franchisor, as meeting its criteria.

(2) Approved Suppliers

From time to time, Franchisor shall provide to Franchisee a list of approved manufacturers, printers, suppliers, and distributors for all products and services necessary to operate the Franchised Business ("Approved Suppliers"). Franchisor may revise the list of Approved Suppliers from time to time in its sole discretion. Franchisor's Approved Suppliers are those who demonstrate on a continuing basis the ability to meet Franchisor's standards and specifications, who have adequate quality controls and the capacity to supply the needs of the CHRISTMAS DECOR franchise network promptly and reliably over an extended period of time, who have been approved in writing by Franchisor and who have not thereafter been disapproved by Franchisor. Franchisor may designate itself, its affiliates and any successor thereto or a third party as an Approved Supplier, or as the sole Approved Supplier of any item). Franchisee agrees that Franchisor and its affiliates may derive revenue based on Franchisee's purchases and leases (including, without limitation, from charging for products and services Franchisor or its affiliates provide to Franchisee as Approved Suppliers and from payments made to Franchisor or its affiliates by other Approved Suppliers). Without limitation of the foregoing, Franchisee understands that Franchisor may receive commissions of up to ten percent (10%) of the product purchase price from Approved Suppliers. Franchisee also understands that if Franchisor or its affiliates or related parties stock products for and sell products to franchisees these parties expect to make a reasonable profit on such products.

D. <u>Request for Supplier/Product Approval</u>

If Franchisee proposes to use in the operation of the Franchised Business any equipment or materials which are not then approved by Franchisor as meeting its minimum specifications and quality standards, or to purchase any product from a supplier that is not then designated by Franchisor as an Approved Supplier, Franchisee shall first notify Franchisor and shall upon request by Franchisor submit product samples and such other information as Franchisor requires for examination and/or testing or to otherwise determine whether such equipment, product, material or supply, or such proposed supplier, meets its specifications and quality standards. A charge not to exceed the actual cost of testing may be made by Franchisor and shall be paid by Franchisee. Franchisor may also require inspection of the suppliers' facility before approval can be granted. Franchisor shall notify Franchisee within a reasonable time whether it approved such equipment, product, material or supply, and/or such supplier by being listed on Franchisor's approved list.

E. <u>Specifications, Standards and Operating Procedures; Inspections</u>

(1) <u>Operations In Accordance with Standards</u>

Franchisee agrees to fully comply with all mandatory specifications, standards, operating procedures and rules as in effect from time to time relating to:

(1) The use of any trademarked items or copyrighted materials;
(2) Procedures and techniques regarding sales activities;
(3) Training, dress, general appearance and demeanor of Franchised Business employees;
(4) Advertising and promotional programs;
(5) The type, quantity and variety of products and materials offered by the Franchised Business;
(6) Printing, trademarked items and copyrighted materials;
(7) The use of signs, posters, advertising pieces, displays and similar items;
(8) The identification of Franchisee as the owner of the Franchised Business;
(9) The handling of customer complaints;
(10) The maintenance of an "E-Mail" communication ability (high speed where available); and
(11) Such other aspects of the Franchised Business as Franchisor may from time to time determine to be appropriate.

Mandatory specifications, standards, operating procedures and techniques and other rules, prescribed from time to time by Franchisor in the Manual or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement, as if fully set forth herein. All references herein to this Agreement shall include all such mandatory specifications, standards, operating procedures and rules.

(2) Franchisor's Inspection Rights

In order to assure that Franchisee is operating in accordance with Franchisor's standards, Franchisor or its agents shall have the right of entry and inspection of Franchisee's premises at all reasonable times. Additionally, Franchisor shall have the right to observe the manner in which Franchisee is rendering its services and conducting its operations, to confer with Franchisee's employees and customers, and to inspect equipment, trademarked items, other materials, printed matter or inventory in order to test its content and for evaluation purposes to make certain that all are satisfactory and meet the quality control provisions and standards established by Franchisor.

F. Licenses, Permits and Certificates

Franchisee shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable laws, ordinance and regulations, workmen's compensation, unemployment insurance, withholding and payment of federal and state income taxes, social security taxes, sales, use and property taxes.

G. Marks

Franchisee shall use in the operation of the Franchised Business only the displays, labels, forms and other paper products imprinted with the Marks and colors as prescribed from time to time by Franchisor. Franchisee shall display a CHRISTMAS DECOR logo at its place of business and, among other things, on its signs, vehicles, uniforms, and marketing materials that solicit holiday lighting and decorating services.

H. Supervision of Franchised Business; Personnel

(1) Supervision of Franchised Business

The CHRISTMAS DECOR Business is a full-time business during the holiday decorating season, usually September through the following February each year. The Franchised Business shall at all times be under the direct, on-premises supervision of Franchisee (or, if Franchisee is a legal entity, an approved owner/operator of Franchisee). If Franchisee does not devote his or her full time to conducting the Franchised Business, then such on-premises supervision may be provided by a trained and competent employee of Franchisee whom Franchisor approves acting as full-time manager. Franchisee shall keep Franchisor informed at all times of the identity of any employee(s) acting as manager(s) of the Franchised Business. Notwithstanding the above, Franchisee covenants that during the term of this Agreement, Franchisee shall devote a majority of time, energy, and best efforts to the management and operation of the Franchised Business. Franchisee agrees that he or she will at all times faithfully, honestly and diligently perform his or her obligations hereunder and that he or she will not engage in any business or other activities that will conflict with his or her obligations hereunder.

(2) Personnel

Franchisee is solely responsible for all employment decisions and functions of the Franchised Business including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether Franchisee receives advice from Franchisor on these subjects. Franchisee acknowledges and agrees that all personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, will be made by Franchisee, without any influence or advice from Franchisor, and such decisions and actions will not be, nor be deemed to be, a decision or action of Franchisor's. Further, it is the intention of the parties to this Agreement that Franchisor will not be deemed a joint employer with Franchisee for any reason. If Franchisor incurs any cost, loss, or damage as a result of any actions or Franchisee's omissions of or the omissions of Franchisee's employees, including any that relate to any party making a finding of any joint employer status, Franchisee will fully indemnify Franchisor for such loss.

I. Maintenance of Highest Ethical Standards

Franchisee shall at all times require its employees, agents and affiliates to maintain the highest ethical and moral standards of the community and adhere to the standards applicable to a CHRISTMAS DECOR franchisee as set forth by Franchisor.

J. Use of Advertising and Promotional Claims

All sales activities conducted by Franchisee in any medium shall be conducted in a dignified manner and shall accurately promote, describe and otherwise represent the services of the Franchised Business. Franchisee agrees to refrain from any sales practice which is unethical or may be injurious to the business of Franchisor and/or other franchised businesses or the goodwill associated with the Marks.

K. Acceptance and Service of National Accounts

Franchisee acknowledges that from time to time, Franchisor may, in its sole discretion, provide referral clients through its national accounts system to Franchisee. Franchisee hereby agrees to service such clients according to the protocols for national account customers which are described in the Manual and further agrees that in the event the Franchisee fails to service such customers as required by said protocols and within the time required, Franchisor, in its sole discretion, may immediately arrange to service the clients directly or with other franchisees for the balance of the term of this Agreement. This right to service national accounts includes national accounts located within Franchisee's Service Territory.

14. OBLIGATIONS OF THE FRANCHISOR: SUPERVISION, ASSISTANCE OR SERVICES

Franchisor shall provide the Franchisee with the following assistance and services:

A. The System

(1) Franchisor will provide an initial training program concerning the operation of the Franchised Business as described in Section 5.A. of this Agreement.

(2) Franchisor may conduct additional seminars or other training programs for the benefit of the Franchisee (and/or Franchisee's employees approved by Franchisor to attend training) and Franchisee shall attend any such seminar or program as required by this Agreement. Franchisor may charge a reasonable fee for such seminar or program if it is deemed appropriate. Any and all traveling, living and other expenses incurred by anyone attending training shall be paid by Franchisee.

(3) If Franchisee makes a reasonable request for training in addition to that specified above Franchisor shall, at its option, provide such training at Franchisee's expense, including, without limitation, Franchisor's then-current training fee and any travel, lodging, meals, employee time, and other related costs, subject to the availability of Franchisor personnel.

B. <u>Operations Manual</u>

Franchisor shall provide Franchisee access to one copy of the Manual as more fully described in Section 7 herein.

C. <u>Continuing Assistance</u>

In addition to the assistance rendered to the Franchisee prior to opening, Franchisor will provide reasonable continuing consultation and advice regarding business, financial, operational, technical, pricing, sales and advertising matters, type of products and services offered, operation of the Franchised Business and development of personnel policies. Franchisor will provide such assistance by mail, e-mail, intranet system or, if the situation warrants, via telephone or on-site assistance of appropriate Franchisor personnel as determined by Franchisor. All expenses incurred by Franchisor through on-site assistance shall be paid by Franchisee. Franchisor shall keep a current E-mail address to receive and transmit information to franchisees. Franchisee is required to keep a current E-mail address for each Franchised Business subject to this Agreement with any approved internet service provider to receive communications.

D. <u>Advertising and Promotion</u>

Franchisor may develop creative materials and/or press releases for local and regional advertising and promotion and make such materials available to Franchisees for publication or distribution in the Franchisee's market area at Franchisee's own expense. Franchisor may provide specific guidelines for advertising initiated by individual franchisees and reserves the right to disapprove any advertising, which in Franchisor's opinion, is not in accordance with these guidelines. Immediately upon notification to do so, Franchisee shall discontinue any practices that would, in Franchisor's opinion, be detrimental to the Marks, Franchisor, and/or to the franchised network of CHRISTMAS DECOR Businesses.

E. <u>Suppliers</u>

Franchisor agrees to provide Franchisee with a list of Approved Suppliers and product specifications for the products and services used in the Franchised Business which Franchisor may change from time to time. By providing such assistance, Franchisor makes no warranty or guarantee of performance of any such supplier. If Franchisee desires to purchase any items from an unapproved supplier or with differing product specifications, Franchisee must submit a written request for Franchisor's approval in accordance with the procedures set forth in Section 13.D.

F. <u>Pricing of Services</u>

Franchisor shall advise Franchisee from time to time concerning pricing for services and products sold by the Franchised Business. Franchisor and Franchisee agree that any such pricing recommendations are only recommendations and are not to be construed as mandatory upon Franchisee. Nothing contained herein shall be deemed a representation by Franchisor that the use of Franchisor's suggested prices will in fact optimize profits.

G. Regional Seminars and National Conferences

Franchisor at its discretion will coordinate a National Conference each year to promote the training and education of its franchisees. For each Service Territory operated by Franchisee pursuant to a franchise agreement with Franchisor, Franchisee shall send one (1) person to a minimum of one (1) regional continuing education seminar approved by Franchisor and two (2) National Conferences during the five (5) years of the initial term and any subsequent renewal term of this Agreement. Attendance each year is encouraged. A credit for one (1) complimentary conference registration for one (1) person, to be used in the first eighteen (18) months of the initial term, is included in the Initial Franchise Fee for each Franchised Business subject to this Agreement.

15. INSURANCE

A. Overall Coverage Required

Franchisee shall procure, prior to opening the Franchised Business, and shall maintain in full force and effect during the term of this Agreement, at Franchisee's expense, an insurance policy or policies covering holiday lighting and protecting Franchisee and Franchisor, and the officers, directors, partners and employees of both Franchisor and Franchisee, against any loss, liability, personal injury, death, property damage or expense whatsoever arising or occurring upon or in connection with the operation of the Franchised Business. Franchisor shall be named as an additional insured on all such policies (excluding worker's compensation policies and employer's liability insurance; Franchisor shall require Franchisee to provide a Waiver of Subrogation).

B. Qualified Insurance Carrier

All insurance policies required under this Agreement shall be written by an insurance company satisfactory to Franchisor, and coverage shall be provided in accordance with standards and specifications set forth in the Manual or otherwise specified in writing. The insurance coverage shall be provided on policy forms which include the provisions at least as broad as those included in the standard Insurance Service Offices Forms. The coverage shall include, at minimum (except as additional coverage and higher policy limits may reasonably be specified from time to time by Franchisor) limits at least equal to those shown below for the categories of required insurance.

(1) Comprehensive general liability insurance;
One Million Dollars ($1,000,000.00) per occurrence with a Two Million Dollars ($2,000,000.00) annual aggregate;

(2) Liability for owned, hired, and non-owned automobiles or other vehicles;
One Million Dollars ($1,000,000.00) per occurrence;

(3) Property damage liability insurance covering at a minimum the perils of fire and extended coverage and vandalism;

(4) Worker's Compensation Employer Liability as prescribed by state law with limits no less than Five Hundred Thousand Dollars ($500,000.00); and

(5) Such other insurance that may be required by Franchisor or by the statutes or other laws of the state in which the Franchised Business is located and operated.

C. No Limitations on Coverage

Franchisee's obligations to obtain and maintain the foregoing insurance policies, in the amounts specified, shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in this Agreement. Franchisee may maintain such additional insurance as it may consider advisable.

D. Evidence of Coverage

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

E. Franchisor May Procure Insurance Coverage

Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as described from time to time by the Manuals or otherwise in writing, Franchisor shall have the right and authority (but no obligation) to procure such insurance and to charge same to Franchisee. Such charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice from Franchisor.

16. TERMINATION OF FRANCHISE

A. Termination of Franchisee With Notice and Cure

Franchisee acknowledges that the strict performance of all the terms of this Agreement is necessary not only for protection of Franchisor, but also the protection of Franchisee and other franchisees of Franchisor. Franchisee therefore acknowledges and agrees that strict and exact performance by Franchisee of each of the covenants and conditions contained in the Agreement is a condition precedent to the continuation of this Agreement. If Franchisee shall breach any provision of this Agreement, then Franchisor may notify Franchisee in writing of such breach, specifying its nature and giving Franchisee thirty (30) days (fifteen (15) days for a monetary breach), or such longer period as may be required by applicable law, in which to cure the breach. If Franchisee shall fail to cure the breach within the applicable cure period, then Franchisor may terminate this Agreement and the Franchise immediately upon written notice of termination to Franchisee.

B. Termination of Franchisee Without Cure

Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and Franchisor, at its option, may terminate this Agreement and all rights granted under it effective immediately upon written notice, without affording Franchisee any opportunity to cure the breach, if Franchisee does any of the following:

(1) Abandons, surrenders, or transfers control of the operation of the Franchised Business or fails to continuously and actively operate the Franchised Business, unless precluded from doing so by an event of force majeure (as defined in Section 1.A.(2)(a));

(2) Repeatedly fails or refuses to submit when due the Royalty Fees, or any other payments due Franchisor or its affiliates, related parties or Approved Suppliers or repeatedly commits any other material breach under this Agreement, whether or not such breaches are of the same or different nature and whether or not such breaches have been cured by Franchisee after notice by Franchisor;

(3) Operates the Franchised Business in a manner that violates any federal, state, or local law, rule, regulation or ordinance;

(4) Has made a material misrepresentation on his or her application for the Franchise;

(5) Transfers, assigns, sub-licenses or sub-franchises its rights under this Agreement without the prior written consent of Franchisor, as set forth herein;

(6) Discloses or divulges the contents of the Manuals or any other Confidential/Proprietary Information provided to Franchisee by Franchisor in violation of Articles 7 and 8;

(7) Infringes on territory that is franchised to another franchisee more than two (2) times;

(8) Fails to provide Franchisor or its authorized representatives access to conduct the audits contemplated by Section 12.C. and does not correct such failure within three (3) days following written notice.

(9) Repeatedly fails to substantially comply with any of the requirements imposed by this Agreement, whether or not cured after notice;

(10) Commits a breach of this Agreement or engages in any other activity which has a material adverse effect on Franchisor, the franchised network of CHRISTMAS DECOR Businesses and/or the Marks;

(11) Fails or refuses to comply with any provision of this Agreement or any other agreement between Franchisor and Franchisee relating to the Franchised Business or the Franchise and does not correct such failure or refusal within thirty (30) days after written notice of such failure to comply is delivered to Franchisee;

(12) Is convicted of a felony or has pleaded nolo contendere to a felony.

C. Termination of Franchisee Immediately and Without Notice

Notwithstanding the foregoing, Franchisee shall be in breach under this Agreement and all rights granted under this Agreement shall automatically terminate without notice to Franchisee, if Franchisee does any of the following:

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

(2) Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against Franchisee, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of the Franchisee or the Franchised Business, or the claims of creditors of

Franchisee or the Franchised Business are abated or subject to moratorium under any laws.

17. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon the expiration or termination of this Agreement:

A. Payment of Monies Owed to Franchisor

Franchisee shall pay to Franchisor, within fifteen (15) days after the effective date of termination or expiration of this Agreement, such Royalty Fees, payments for inventory, supplies, merchandise, or any other sums owed to Franchisor, its affiliates, related parties, or Approved Suppliers by Franchisee, which are then unpaid. Franchisor shall have the right to conduct audits following the termination or expiration of this Agreement in accordance with Section 12.C.

B. Return of Manual and Other Materials

Franchisee further agrees that upon termination or expiration of this Agreement, Franchisee will immediately return to Franchisor all copies of the Manual, training aids and any other Confidential/Proprietary Information or materials which have been loaned to Franchisee by Franchisor. Franchisee further agrees to turn over to Franchisor any other manuals, computer programs, software (including all proprietary software), customer lists, records, files, instructions, correspondence and brochures, and any and all other confidential and proprietary materials relating to the operation of the Franchised Business in Franchisee's possession, custody, or control and all copies thereof (all of which are acknowledged to be Franchisor's property). Franchisee shall retain no copy or record of the foregoing, excepting only Franchisee's copy of this Agreement and any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of law.

C. Termination Fee

If this Agreement is terminated by Franchisor for cause or by Franchisee without cause, Franchisee agrees to pay to Franchisor a lump sum payment (as liquidated damages for the early termination of this Agreement and not as a penalty or for any other injury) an amount equal to the minimum monthly Holiday Lighting Services Royalty Fees due in respect of the Franchised Business for the twenty-four (24) month period immediately following the termination or the remaining term of the Agreement, whichever is less. Said sum shall be immediately due and payable in full within thirty (30) days after such termination is effective. If such amount is not timely paid, interest shall accrue thereon from the date due until paid at the rate set forth in Section 11.C.

D. Cease Using Marks

Franchisee further agrees that, upon termination or expiration of this Agreement, Franchisee shall immediately and permanently cease to use, by advertising, or any manner whatsoever, the Marks and any distinctive forms, slogans, symbols, signs, logos or devices associated with the System, as well as any confidential methods, procedures and techniques associated with the System. In particular but without limitation, Franchisee shall cease to use all signs, advertising materials, stationery, forms, and any other articles which display the Marks.

E. Cease Operating Franchised Business

Franchisee shall immediately cease to operate the Franchised Business, shall comply with the post-termination covenants set forth in Sections 8 and 18 of this Agreement, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former franchisee of Franchisor. All phone numbers related to the Franchised Business owned and operated by Franchisee shall be immediately assigned to Franchisor.

F. No Confusion with Marks

In the event Franchisee continues to operate or subsequently begins to operate any other business, Franchisee agrees not to use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to utilize any designation of origin or description or representation which suggests or represents an association or connection with the CHRISTMA DECOR System, Franchisor or a former association or connection with the CHRISTMAS DECOR System.

G. Franchisor Purchase of Inventory and Equipment

Franchisor shall have the right (but not the duty), to be exercised by written notice given within thirty (30) days following the date of termination or expiration of this Agreement, to purchase from Franchisee any or all equipment, supplies, signs, advertising materials and items bearing the Marks, at fair market value (less the amount of any outstanding liens or encumbrances). If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor and the appraiser's determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

18. COVENANTS

A. Franchisee Receives Confidential/Proprietary Information

Franchisee specifically acknowledges that pursuant to this Agreement, Franchisee will receive valuable training and Confidential/Proprietary Information, including, without limitation, information regarding promotional, operational, sales, and marketing methods and techniques of the System.

B. No Diversion of Business

During the term of this Agreement and for a period of two (2) years following the expiration or termination of the Agreement, Franchisee covenants that it will not, directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

(1) Divert or attempt to divert any business or customers of the Franchised Business with which or with whom Franchisee has had contact during the term of this Agreement to any competitor by direct or indirect inducement or otherwise;

(2) Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System or both; or

(3) Induce, directly or indirectly, any person who is at that time employed by

Franchisor or by any other franchisee of Franchisor, to leave his or her employment.

The provisions of this Section shall apply only (a) within the Service Territory, (b) within a fifty-mile radius of the Service Territory, and (c) within the service territory of any other franchisee.

C. Covenant Not to Compete

Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, during the term of this Agreement and for a continuous uninterrupted period commencing upon expiration or termination of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for himself, or on behalf of, or in conjunction with, any person, persons, partnership, or corporation, own, manage, operate, maintain, advise, substantially invest in, be employed by, or engage in, (a) any business (including any retail or wholesale business) that offers to the public in a manner products and/or services substantially similar to the Holiday Lighting Services or, if applicable, the Permanent Lighting Services then being offered by the Franchised Businesses; or (b) any business which grants franchises or licenses to others to operate a business described in (a) above (i) within the Service Territory, or (ii) within a fifty (50) mile radius of the Service Territory, or (iii) within the service territory of any other franchisee, or (iv) within a fifty (50) mile radius of the service territory of any other franchisee. Franchisee additionally covenants that Franchisee will secure similar written covenants from all employees, agents and representatives of Franchisee as Franchisor may require. In addition, Franchisor reserves the right to reduce the scope of said provision without Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee. The above-noted covenant is not intended to prevent any individual Franchisee from employment which does not compete against the System or its franchisees nor shall it apply upon the termination of this Agreement by Franchisee for cause in accordance with Section 16.A. above.

D. Exception to Covenant Not to Compete

Section 18.C. hereof shall not apply to ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any Publicly-Held Corporation.

E. Covenants are Independent

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

F. Claims Are Not Defense to Covenants

Franchisee expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Article 18. Franchisee further agrees that Franchisor shall be entitled to set off any amount owed by Franchisor to Franchisee against any loss or damage to Franchisor resulting from Franchisee's breach of this Section of the Agreement.

G. Injunctive Relief Available to Franchisor

Franchisee acknowledges that any failure to comply with the requirements of this Article 18 will cause Franchisor irreparable injury for which no adequate remedy at law may be available and Franchisee hereby accordingly consents to the issuance by a court of competent jurisdiction of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 18. Franchisor may further avail itself of any other legal or equitable rights and remedies which it may have under this Agreement or otherwise.

H. Survival.

The covenants set forth in this Article 18 shall survive the expiration, termination or transfer of this Agreement or any interest therein.

19. ASSIGNMENT

A. Assignment by Franchisor

Franchisor shall have the right to transfer or assign all or part of its rights or obligations under this Agreement to any person or entity without prior notice to or the consent of Franchisee. Following any such transfer, the assignee shall be solely responsible for the obligations of franchisor hereunder.

B. Assignment by Franchisee

Franchisee and the owners of Franchisee shall not transfer, assign, convey, give away, pledge, exchange, lease, mortgage, or otherwise encumber this Agreement, nor any of Franchisee's rights or privileges under this Agreement, nor any interest in Franchisee or in the Franchised Business (including any sale of the assets of the Franchised Business except in the ordinary course) in any manner, by operation or law or otherwise, without the prior written consent of Franchisor, which consent will not be unreasonably withheld. Franchisee will provide to Franchisor prior to the Transfer, a copy of any written agreements relating to the proposed Transfer, or any additional information which Franchisor may require in order to determine if Franchisor will grant Franchisor's consent to the proposed Transfer. In granting any such consent, Franchisor may impose reasonable conditions, including, without limitation, the following:

(1) The proposed assignee (and the partners, managers, shareholders, directors and officers of a corporate, partnership or limited liability company franchisee) must meet the then-applicable standards and qualifications applicable to System franchisees;

(2) The proposed assignee shall not operate a franchise, license or other business offering services similar to those offered by the Franchised Business;

(3) The assignee must sign the then-current form of Franchisor franchise agreement, which form may contain provisions which materially alter the rights or obligations of Franchisee under this Agreement;

(4) Franchisee or owner shall remit to Franchisor a transfer fee in the amount of Two Thousand Five Hundred Dollars ($2,500.00). In addition, if Franchisee is transferring its Service Territory, the assignee shall pay to Franchisor a fee of Two

Thousand Five Hundred Dollars ($2,500.00) (for Quick Start training of up to three (3) people, quick-start literature and marketing materials) and if not transferred by previous owner, franchisee must purchase from Franchisor or its assigned software provider, all proprietary software required at the then-current price;

(5) If Franchisor determines that training is required, assignee and any personnel of assignee required by Franchisor shall attend Quick Start Training at Franchisor's home office (at the cost specified under the then-current form of franchise agreement). Any and all traveling, living, and other expenses incurred by anyone attending training shall be paid by such assignee; and

(6) Franchisee and its owners shall execute a general release of Franchisor in a form satisfactory to Franchisor's counsel.

For purposes of this Agreement, any change in stock ownership, voting or other control whatsoever of a corporation or other entity which acts as a Franchisee under this Agreement constitutes a Transfer. For all purposes herein, a beneficiary of a trust which owns a beneficial interest in a Franchisee which is an entity will be deemed to have an interest in this Agreement. Provided further, for all purposes herein, if a trust owns a beneficial interest in Franchisee which is an entity, any change in the beneficial interest of a beneficiary will constitute a Transfer. Any transaction or series of transactions which would have such an effect must be approved by Franchisor on the same basis as any other Transfer as set forth herein. Franchisee hereby covenants and warrants (i) that Franchisee's certificate or articles of incorporation or formation, corporate charter, by-laws, LLC agreement, and/or company agreement limit Transfers as described in this Section 18, and (ii) if Franchisee is a corporation, that each security will bear a legend (in a form to which Franchisor consents) indicating that any Transfer is subject to this.

C. Franchisor's Right of First Refusal

If Franchisee (or any of its owners) receives a bona fide written offer to purchase the Franchised Business or any ownership interest therein, such offer shall be submitted to Franchisor. For a period of thirty (30) days from the date of Franchisor's receipt of such offer, Franchisor shall have the right, exercisable by written notice to Franchisee (or its owners), to purchase the Franchised Business or such ownership interest for the price and on the same terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of non-cash payment proposed in such offer. If Franchisor does not exercise its right of first refusal, the bona fide written offer may be accepted by Franchisee (or its owners), subject to the prior written approval of Franchisor, as provided in this Agreement.

D. Transfer Upon Death or Mental Incapacity

Upon the death or mental incapacity of any person with an interest in the Franchised Business, the executor, administrator, or personal representative of that person must transfer his or her interest to a third party approved by Franchisor within three (3) months after death or mental incapacity. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any inter vivos transfer including the requirements to complete and pay for training by the future operator of the Franchised Business. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions contained in the Agreement, the personal representative of the deceased Franchisee shall have a reasonable time (not to exceed one hundred eighty (180) days) to dispose of the deceased's interest in the Franchised Business which disposition will be subject to all the terms and conditions for transfer contained in the Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate the Agreement.

20. INDEPENDENT CONTRACTOR

A. No Fiduciary Relationship

It is understood and agreed by the parties hereto that this Agreement does not establish a fiduciary relationship between them, and that the Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. Franchisee is an Independent Contractor

During the term of this Agreement, and any renewals or extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating its business pursuant to a Franchise Agreement with Franchisor. Franchisee agrees to take such affirmative action as may be necessary to do so, including, without limitation, exhibiting a public notice of that fact, the content and display of which Franchisor shall have the right to specify.

21. WAIVER

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

22. MEDIATION

Except for claims as to monies owed or for injunctive or other extraordinary relief, or with respect to acts or omissions relating to the Marks or the Confidential/Proprietary Information (including the Customer Lists), the parties agree that any and all claims, controversies or disputes between them, that cannot be amicably settled, shall first be discussed on a face to face basis by the parties in a meeting of at least one (1) hour duration without the representation of attorneys or others at a mutually agreed upon meeting place or at Franchisor offices in Lubbock, Texas if a mutual site cannot be agreed upon. If after that meeting, the claims of either party cannot be amicably settled then the parties to this Agreement shall submit their differences to a neutral professional mediator prior to bringing such claim, controversy or dispute in a court or before any other tribunal. The mediation shall be conducted by either an individual mediator or a mediator appointed by a mediation services organization or body experienced in the mediation of disputes between franchisors and franchisees, as agreed upon by Franchisor and Franchisee and, failing such agreement within a reasonable period of time (not to exceed fifteen (15) days) after either party has notified the other of its desire to seek mediation, by the American Arbitration Association ("AAA") in accordance with its rules governing mediation. Mediation shall be held at an office of the AAA located nearest to Lubbock, Texas. If the parties agree to resolve the dispute in the mediation, then an agreement of resolution shall be entered into by the parties and they shall equally divide the cost of the mediation (including the fees of the mediator but excluding the fees and costs of counsel retained by either party, which shall be the obligation of that party). If no resolution of the dispute is accomplished in the mediation, then the parties may proceed with judicial enforcement proceedings.

23. JUDICIAL ENFORCEMENT

A. Use of Judicial Process, Injunction and Specific Performance

Following the procedures described above (and subject to the above-described exceptions thereto) either party shall have the right to enforce this Agreement by judicial process. Without limitation of the foregoing, Franchisor shall be entitled without bond to seek the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement.

B. Governing Law and Venue

Except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C., Section 1051 et. seq.), this Agreement shall be governed by the laws of the State of Delaware without regard to its conflicts of laws principles. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation. Both parties agree that, (unless superseded by governing state statutes), all litigation shall take place in the state courts in Lubbock, Texas or in the federal district courts for the district in which Lubbock, Texas is situated.

24. WAIVER OF JURY TRIAL; CLASS ACTION WAIVER

A. WAIVER OF JURY TRIAL

IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS AGREEMENT, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

B. CLASS ACTION WAIVER

THE PARTIES AGREE THAT CLAIMS OF ANY OTHER PARTY OR PARTIES WILL NOT BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN THE PARTIES.

25. WAIVER OF CERTAIN DAMAGES

FRANCHISEE AND ITS OWNERS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR

OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, FRANCHISEE AND ITS OWNERS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

26. LIMITATIONS PERIOD

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO (i) ANY MISREPRESENTATION OR OMISSION MADE BY FRANCHISEE OR ITS OWNERS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) FRANCHISEE'S OBLIGATIONS TO PROTECT FRANCHISOR'S CONFIDENTIAL/PROPRIETARY INFORMATION, OR (iii) FRANCHISEE'S OBLIGATIONS TO INDEMNIFY Franchisor PURSUANT TO SECTION 24, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN TWO (2) YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR TWO (2) YEARS FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

27. INDEMNIFICATION

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name. Franchisee further understands and agrees that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action or by reason of any act or omission of Franchisee in its conduct of the Franchised Business, or any claim or judgment arising therefrom.

Franchisee shall defend, indemnify and hold harmless, to the fullest extent permitted by law, Franchisor, its affiliates, their respective successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, and employees of each of them, past or present (the "Indemnitees") from and against any and all payments of losses and expenses (including, without limitation, all liabilities, losses, damages (including damages for injury to property or persons, including death, and, without limitation, the injury or death of any of Franchisee's employees or agents or damage to any of their property), fines, settlement amounts, costs, expenses, attorneys' fees, investigative fees and court costs) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which may arise out of, or in connection with, Franchisee's ownership or operation of the Franchised Business, the performance of Franchisee, its employees or agents under this Franchise Agreement, or the default by Franchisee or its owners of any representation or warranty herein. Franchisee's indemnification obligation will include, without limitation, any claims related to or resulting from the actual or alleged negligence or fault of any Indemnitee. Such indemnity shall survive the transfer, termination or expiration of this Franchise Agreement.

Franchisee shall have ten (10) business days from its receipt of a written demand from Franchisor for indemnification under this Section 27 to comply with its obligations hereunder. Franchisor shall have the right, through counsel of its own choosing and at Franchisee's sole cost and expense, to direct, manage and control its defense of any matter to the extent that it could directly or indirectly affect Franchisor or its Affiliates. Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee under this Section.

Franchisee, its employees and agents, hereby waive, and release the Indemnitees from and against, any and all claims, demands, causes of actions for injury to property or person (including death) arising out of or in connection with Franchisee's operation of the Franchised Business or its performance under this Franchise Agreement, regardless of when in the future sustained, and whether or not caused or contributed to by the negligence of Indemnitees.

28. TAXES, PERMITS AND INDEBTEDNESS

A. Franchisee Must Pay Taxes Promptly

Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment, sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Franchised Business. Franchisee shall pay Franchisor an amount equal to any sales tax, gross receipts tax or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

B. Franchisee Can Contest Tax Assessments

In the event of any bona fide dispute as to any liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the premises of the Franchised Business or any improvements thereon.

C. Franchisee Must Comply With Laws

Franchisee shall, at Franchisee's expense, comply with all federal, state and local laws, rules, regulations and ordinances and shall timely obtain and shall keep in force as required throughout the term of this Agreement all permits, certificates and licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, any required permits, licenses to do business, fictitious names and registrations, sales tax permits, and fire clearances.

D. Franchisee Must Notify Franchisor of Lawsuits

Franchisee shall notify Franchisor in writing within five (5) days of notice of the commencement of any action, suit, or proceeding against Franchisee, and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Franchised Business, including, without limitation, any criminal action or proceedings brought by Franchisee against its employees, customers, or other persons.

29. **NOTICES**

All notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by prepaid facsimile or electronic mail (provided that the sender confirms the facsimile or electronic mail by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission) to the party to be notified at the address specified in this Agreement or at any other principal address which the notifying party has on record.

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service, one (1) business day after the date and time of mailing, or in the case of registered or certified mail, three (3) business days after the date and time of mailing. Notwithstanding the foregoing, if Franchisee or a representative of Franchisee refuses to accept delivery of any notice, then such notice will be deemed to have been given upon refusal of delivery.

30. **VARYING STANDARDS**

Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right, at its sole and absolute discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any Franchise based upon the peculiarities of a particular location or circumstance, including, density of population, business potential, population, trade area, existing business practices, or any other condition which Franchisor deems to be of importance to the operation of such Franchisee's business. Franchisee shall not have any right to complain about a variation from standard specifications and practices granted to any other franchisee and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation.

31. **AUTHORITY**

Franchisee or, if Franchisee is a legal entity, the individuals executing this Agreement on behalf of Franchisee, warrants to Franchisor individually and in their representative capacities, as the case may be, that they have read and approved this Agreement, including any restrictions which this Agreement places upon their right to transfer their respective interests in Franchisee.

32. **SPECIAL REPRESENTATIONS**

A. **Entity Franchisee**.

If Franchisee is a corporation or other legal entity, the following requirements shall apply:

(1) Franchisee shall provide to Franchisor copies of Franchisee's corporate, partnership, limited liability company or other resolution directing its authorized representatives to enter into this Agreement on behalf of Franchisee.

(2) Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting stock of or other ownership interest in Franchisee and shall furnish such list to Franchisor upon its request; and

(3) All shareholders, partners or members of Franchisee shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement; provided, however, that the requirements of this subsection shall not apply to any corporation registered under the Securities Exchange Act of 1934 (a "Publicly Held Corporation"), or, in Franchisor's discretion, to limited partners.

B. Franchisee's Representations and Acknowledgments,

Franchisee (and the owners of a corporate, partnership or limited liability company Franchisee) hereby represents as follows:

(1) Franchisee acknowledges that it has received a complete copy of this Agreement, attachments referred to herein, and agreements relating hereto, if any, at least seven (7) calendar days prior to the date on which this Agreement was executed by Franchisee. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, entitled "Information For Prospective Franchisees Required By The Federal Trade Commission," at least fourteen (14) calendar days prior to the date on which this Agreement was executed by Franchisee.

(2) That Franchisor has not represented or guaranteed, expressly or impliedly, that Franchisee will derive income from the Franchised Business which exceeds the price paid by Franchisee, or that Franchisor will refund all or any part of the consideration paid by Franchisee, or repurchase any products, equipment, supplies or other items supplied by Franchisor or its affiliates if Franchisee is unsatisfied with the Franchised Business.

33. MISCELLANEOUS

A. Severability and Substitution of Valid Provisions

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Nothing in this or any related agreement, however, is intended to disclaim the representations made in the franchised disclosure document furnished to you. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder or require the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

B. Rights of Parties Are Cumulative

The rights of Franchisor and Franchisee hereunder are cumulative, and the exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall not preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled by law to enforce.

C. Binding Effect

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

D. Entire Agreement; Construction

This Agreement and any other agreements or instruments referred to herein or which relate to the purchase or lease by Franchisee from Franchisor of any fixtures, signs, equipment, printing, merchandise, or the like, constitutes the entire agreement of the parties, and there are no other oral or written understanding or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to the Franchisee. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs. The term "Franchisee" as used herein is applicable to one or more persons, a corporation, partnership, limited liability company or other legal entity, as the case may be; the singular usage includes the plural; and the masculine and neuter usages include the other and feminine. References to "Franchisee" shall apply to one or more individual franchisees or, in the case of a franchisee which is a legal entity to the principal owner or owners of such entity.

E. Attorney Fees and Enforcement Costs

In the event any legal or other enforcement proceedings between the parties hereto arise under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the other party. Without limitation, Franchisee shall pay to Franchisor all damages, costs and expenses, including collection fees and costs and reasonable attorneys' fees, incurred by Franchisor in collecting any amounts due under this Agreement and in obtaining any remedy available to Franchisor for any violation of this Agreement, and, if Franchisor secures any injunction or order of specific performance hereunder, Franchisee agrees to pay to Franchisor an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages incurred by Franchisor as a result of the breach of any provision of this Agreement.

F. Modification

This Agreement may be modified only by a written instrument signed by the party to be bound. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless a subsequent modification in writing is signed by the parties hereto.

G. Survival

Any obligation of Franchisee or its owners that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in Franchisee shall be deemed to survive such termination, expiration or transfer.

H. No Third Party Beneficiary

Except as expressly provided herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Section 19.), any rights or remedies under or as a result of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their authorized representatives to duly execute and deliver this Agreement in duplicate as of the _____of _____________, 20__.

DECOR GROUP FRANCHISING LLC (Officer's signature required)**:**

By:____

Name:____

Title:____

FRANCHISEE:

____

CHRISTMAS DECOR of / by

____

By:____
(Officer's signature required)

Name:____

Title:____

ATTACHMENT A

TO FRANCHISE AGREEMENT DATED _________________, 20___
BETWEEN DECOR GROUP FRANCHISING LLC AND ______________________
(“FRANCHISEE”)

OWNERS’ GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (the “Guaranty”) is given this _____ day of _____________, 20__ by the undersigned.

In consideration of, and as an inducement to, the execution of the Franchise Agreement (the “Agreement”) by DECOR GROUP FRANCHISING LLC (“we” “us” or “our”), each of the undersigned and any other parties who sign counterparts of this Guaranty (referred to herein individually as a “Guarantor” and collectively as “Guarantors”) hereby personally and unconditionally guarantees to us and our successors and assigns, that Franchisee will punctually pay its obligations for initial franchise fees, royalties, marketing development fees and purchases of equipment, materials, supplies and other amounts due under the Agreement.

Each Guarantor waives:

(i) acceptance and notice of acceptance by us of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this guaranty by the undersigned (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(a) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and

(b) he or she will render any payment, remittance or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and

(c) such liability will not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and

(d) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence that we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment, remittance or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to us under the Agreement; and

(e) Franchisee's written acknowledgment, accepted in writing by us, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Franchisee set forth in the Franchise Agreement and is obligated to perform thereunder.

If we are required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevail in such proceeding, we will be entitled to reimbursement of our costs and expenses, including, but not limited to, legal and accounting fees, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse us for any of the above-listed costs and expenses incurred by us.

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

GUARANTORS

____

Name: ___________________________________

____

Name: ___________________________________

____

Name: ___________________________________

____

Name: ___________________________________

Exhibit "A"
to Franchise Agreement

Selected Terms

1. **Service Territory**: Set forth below is a written description of Franchisee's Service Territory. (Also see the attached map):____

____

____

2. **Territory Fee**: the amount of the Territory Fee required under the Agreement is $_________.

3. **Ongoing Fees**: The amount of the ongoing fees required under the Agreement is:

STANDARD MARKET TERRITORY

Gross Sales attributable to Holiday Lighting Services Standard Market	**Holiday Lighting Services Royalty Fees Standard Market**				**Holiday Lighting Services Marketing Development Contributions Standard Market**			
The greater of:	Minimum	or %	Monthly (Feb-Sep)	Monthly (Oct-Dec)	Minimum	or %	Monthly (Feb-Sep)	Monthly (Oct-Dec)
1st Year	none	5%	none	none	none	1%	none	none
2nd Plus Years	**Based on Previous Year's Gross Sales attributable to Holiday Lighting Services**							
$0 - $100,000	$3,050	5%	$250	$350	$640	1%	$50	$80
$100,001 - $150,000	$3,950	5%	$250	$650	$850	1%	$50	$150
$150,001 - $200,000	$5,000	5%	$250	$1,000	$1,000	1%	$50	$200
$200,001 +	$6,950	5%	$250	$1,650	$1,150	1%	$50	$250

COMMUNITY MARKET TERRITORY

Gross Sales attributable to Holiday Lighting Services Community Market	Holiday Lighting Services Royalty Fees Community Market				Holiday Lighting Services Marketing Development Contributions Community Market			
The greater of:	Minimum	or %	Monthly (Feb-Sep)	Monthly (Oct-Dec)	Minimum	or %	Monthly (Feb-Sep)	Monthly (Oct-Dec)
1st Year	none	5%	none	none	none	1%	none	none
2nd Plus Years	**Based on Previous Year's Gross Sales attributable to Holiday Lighting Services**							
$0 - $100,000	$2,750	5%	$250	$250	$550	1%	$50	$50
$100,001 - $150,000	$3,050	5%	$250	$350	$640	1%	$50	$80
$150,001 - $200,000	$3,500	5%	$250	$500	$700	1%	$50	$100
$200,001 +	$4,250	5%	$250	$750	$850	1%	$50	$150

The above fees may be subject to an annual cost of living adjustment as provided in the Franchise Agreement.

4. **Annual Performance Benchmarks:**

Franchise Year	Annual Performance Benchmarks for Holiday Lighting Services
1st Franchise Year - _____	
2nd Franchise Year - _____	
3rd Franchise Year - _____	
4th Franchise Year - _____	
5th Franchise Year - _____	

5. **Description of Other Business:**

____

____

____

____

EXHIBIT B

OPTION AGREEMENT

Decor Group Franchising LLC

OPTION TO PURCHASE

For, and in consideration of One Thousand Dollars ($1,000.00), via automated bank draft, credit card, or company check, and other good and valuable consideration, the receipt of which is acknowledged, Decor Group Franchising LLC ("Seller"), 2301 Crown Court, Irving, Texas 75038, grants to:

______________________________	______________________________
(Name)	(Business Phone)
______________________________	______________________________
(Address)	(Fax Phone)
______________________________	______________________________
(City, State, Zip)	(Company Name)

Hereafter the "Buyer",

An exclusive right and option to purchase, in accordance with the terms and conditions in this Agreement, the Christmas Decor Service Territory described on Exhibit "A" attached hereto.

1. **Option**. This Option is irrevocable until ___________, 20__ at which time it may be renewed.

2. **Renewal**. This Option is renewable for one (1) month periods through ____________, 20__ (the Expiration Date), subsequent to the initial Option period, upon payment of an Option extension fee in the amount of ___________________________ Dollars ($________) per month to be paid on the first (1st) day of each month via automated bank draft, credit card or company check.

3. **Purchase Price**. The franchise fee for the territory described in Exhibit A shall be:

   Base Fee of _________________ ($__,___.__) plus a Territory Fee ranging from One Thousand Five Hundred Dollars ($1,500.00) up to __________________ ($__,___.__).

4. **Conditions Precedent**. In order for the Buyer to exercise this Option to purchase a franchise, all of the following conditions must be met:

   A. The Buyer must be a person capable of operating a Franchise in the territory and be approved by the Seller.

   B. The Franchise Agreement between Seller and Buyer must be executed, the form of which is included with this Option Agreement.

   C. Payment by the Buyer of the required franchise fee at the time of exercise of this Option, less the amount of all Option fees received by the Seller as provided in paragraph five (5).

5. **Credit of Option Consideration**. If the Buyer fails to exercise this Option herein before the Expiration Date, the Seller shall retain the consideration paid under this agreement. If, however, the Buyer does exercise this Option in accordance with the terms hereof on or before the Expiration Date, Seller shall credit toward Buyer's franchise fee all the Option fees received by the Seller.

6. **Notice**. The Buyer shall give notice to the Seller of intent to exercise this Option by delivering a fully executed Franchise Agreement (and related documents, if any), AND the required franchise fee to the Seller PRIOR to the Expiration Date of this Option.

7. **Assignment**. This Option shall be binding on the Buyer and may not be assigned by the Buyer without written approval of the Seller. Seller may assign this agreement without Buyer's consent.

8. **Benefit**. This Option Agreement shall be binding on the parties hereto, their heirs, and legal representatives.

Executed on this _______ day of ________________, 20__.

SELLER:

Decor Group Franchising LLC

By: ____

Print Name and Title: _________________________

Sales Representative: _________________________

BUYER:

____
(Company Name)

By: ____

Print Name and Title: _________________________

Exhibit A

<u>Description of Franchise Territory</u>

EXHIBIT C

STATE ADDENDA

ADDENDUM TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Disclosure Document and/or Franchise Agreement contain provisions that are inconsistent with the following, these provisions are hereby amended:

A. Item 3 of the Disclosure is supplemented by the following language

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

B. Item 6 of the Disclosure Document is supplemented by the following language

The maximum legal interest rate allowed in California is 10% annually.

C. Item 17 of the Disclosure Document is supplemented by the following language.

a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

b. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

c. 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.

d. The franchise agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

e. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

f. The franchise agreement requires binding arbitration. The arbitration will occur at the American Arbitration Association office located nearest to Lubbock, Texas with the costs being borne equally by the parties.

g. 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.

h. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

i. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

D. Item 19 of the Disclosure Document is supplemented by the following language.

The financial performance representation figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue of gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

2. 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.

3. OUR WEBSITE www.christmasdecor.net 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.

4. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH A COPY OF THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

5. 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.

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 the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

AMENDMENT TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

The Decor Group Franchising LLC Franchise Agreement between ________________ ("Franchisee" or "You") and Decor Group Franchising LLC ("Franchisor") dated __________________________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, these provisions are hereby amended:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

b. All sections of the Agreement referencing payment by Franchisee of the initial franchise fee upon execution of the Agreement are hereby amended to defer Franchisee's payment of the initial franchise fee until after completion of Quick Start Training and opening of the franchised business.

c. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

d. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

e. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professional Code Section 16600.

f. 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 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.

g. The franchise agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

h. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ___________________, 20___.

FRANCHISOR:

Decor Group Franchising LLC

By: ___________________________________

Name: _________________________________

Title: _________________________________

FRANCHISEE:

____

By: ___________________________________

Name: _________________________________

Title: _________________________________

ADDENDUM TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

If the franchise agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act (including judicial Decisions interpreting the Act), Illinois law will govern.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Item 5 "Initial Fees," is amended by deleting the first two sentences of the paragraph under the subheading "Initial Franchise Fee" and replacing it with the following:

> "All Initial fees and payments are deferred until such time as you have completed the Quick Start Training program and opened for business."

The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

"NATIONAL ACCOUNTS" EXIST IN THIS FRANCHISE SYSTEM. FRANCHISOR HAS DISCRETION TO SERVICE "NATIONAL ACCOUNTS" OR ALLOW ANOTHER FRANCHISEE TO SERVICE ACCOUNTS WITHIN YOUR TERRITORY WITH NO COMPENSATION PAID TO YOU.

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

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

AMENDMENT TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE AGREEMENT
<u>FOR THE STATE OF ILLINOIS</u>

The Decor Group Franchising LLC Franchise Agreement between ________________________ ("Franchisee" or "You") and Decor Group Franchising LLC (the "Company") dated ________________________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

<u>ILLINOIS LAW MODIFICATIONS</u>

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1 *et seq*. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If this Agreement requires that it be governed by a state's law, other than the state of Illinois, to the extent that such law conflicts with the Act (including judicial decisions interpreting the Act), Illinois law will govern.

b. In conformance with Section 4 of the Act, any provision in the Agreement that designates jurisdiction and venue in a forum outside of the state of Illinois is void; except that arbitration may take place outside of Illinois.

c. Paragraphs 705/19 and 705/20 of the Act provide rights to You concerning non-renewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

d. In conformance with Section 41 of the Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other Illinois law is void.

e. Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

f. 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.

g. All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

2. "NATIONAL ACCOUNTS" EXIST IN THIS FRANCHISE SYSTEM. FRANCHISOR HAS DISCRETION TO SERVICE "NATIONAL ACCOUNTS" OR ALLOW ANOTHER FRANCHISEE TO SERVICE ACCOUNTS <u>WITHIN YOUR TERRITORY</u> WITH NO COMPENSATION PAID TO YOU.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ______________________, 20___.

FRANCHISOR:

Decor Group Franchising LLC

By: ____

Name: ______________________________________

Title: _______________________________________

FRANCHISEE:

____

By: ____

Name: ______________________________________

Title: _______________________________________

ADDENDUM TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. 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.

3. Item 17

(a) The Summary column for Items 17.v., "Choice of Forum" is amended as follows:

"Except for any rights a franchisee has under the Maryland Franchise Registration and Disclosure Law to bring suit in Maryland for claims arising under the Law, mediation of disputes which are subject to mediation will be held at our corporate headquarters. Except as otherwise required by the Maryland Franchise Registration and Disclosure Law, venue for all proceedings arising under the Franchise Agreement is the state, county or judicial district where our principal place of business is located, unless otherwise brought by us."

(b) Item 17.c., "Requirements for you to renew or extend" and Item 17.m. "Conditions for our approval of transfer" are amended by the addition of the following:

"A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any claims arising under the Maryland Franchise Registration and Disclosure Law."

(c) Item 17 is amended to add the following note at the end of that Item:

"A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims that Franchisee may have under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

(d) The addition of the following as the last paragraph of Item 17:

"A provision in the Franchise Agreement which terminates the agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101."

AMENDMENT TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

The Decor Group Franchising LLC Franchise Agreement between ______________________ ("Franchisee" or "You") and Decor Group Franchising LLC (the "Franchisor") dated ___________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, Md. Code. Ann. Bus. Reg. §§ 14-201 – 14-233 (2004 Repl. Vol.). To the extent that this Agreement contains provisions that are inconsistent with the following, these provisions are hereby amended:

   a. The Franchisee is required in this Agreement to execute a general release as a condition of renewal, sale, and/or assignment/transfer. Such release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

   b. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law,

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

   d. Any claims that Franchisee may have under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

   e. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. 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.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

Decor Group Franchising LLC

By: ____

Name: ______________________________________

Title: _______________________________________

FRANCHISEE:

____

By: ____

Name: ______________________________________

Title: _______________________________________

AMENDMENT TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE AGREEMENT AND DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

The Decor Group Franchising LLC Franchise Agreement between ______________________ ("Franchisee" or "You") and Decor Group Franchising LLC ("Franchisor") dated ________________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80C.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement and/or Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that franchisors indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's proprietary marks infringes trademark rights of the third party.

b. Minn. Stat. Sec. 80C.14, Subds. 3, 4., and 5 requires, except in certain specified cases, that a franchisee be given ninety (90) days notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days notice for non-renewal of the franchise agreement. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.

c. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Franchise Act.

d. Minn. Stat. Sec. 80C17, Subd. 5 requires that no action may be commenced pursuant to this section more than three (3) years after the cause of action accrues. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.

e. If the Agreement requires that it be governed by the law of a State other than the State of Minnesota or arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including your rights to any procedure, forum, or remedies provided for in that law.

3. The Agreement and/or Disclosure Document is hereby amended to delete all references to liquidated damages (which includes the termination fee) in violation of Minnesota law; provided, that no such deletion shall excuse the franchisee from liability for actual or other damages and the formula for liquidated damages in the Agreement and/or Disclosure Document shall be admissible as evidence of actual damages.

4. All sections of the Agreement referencing payment by Franchisee of the initial franchise fee upon execution of the Agreement are hereby amended to defer Franchisee's payment of the initial franchise fee until opening of the franchised business.

5. To the extent required by Minnesota Law, the Agreement and/or Disclosure Document is amended to delete all references to a waiver of jury trial.

6. All sections of the Agreement and/or Disclosure Document referencing Franchisor's right to obtain injunctive relief are hereby amended to refer to Franchisor's right to <u>seek to obtain</u>.

7. Each provision of this Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

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

[Signature page follows]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment on ______________, 20__.

FRANCHISOR:

Decor Group Franchising LLC

By: ____

Name: ______________________________________

Title: _______________________________________

FRANCHISEE:

____

By: ____

Name: ______________________________________

Title: _______________________________________

ADDENDUM TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, that is significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent."

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

"However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied."

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchise":

"You may terminate the agreement on any grounds available by law."

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

"The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York."

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

AMENDMENT TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

The Decor Group Franchising LLC Franchise Agreement between ________________ ("Franchisee" or "You") Decor Group Franchising LLC ("Franchisor") dated ________________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

b. If the Agreement requires that it be governed by the law of a state, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

[Signature page follows]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its Owners acknowledge that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on __________________, 20___.

FRANCHISOR:

Decor Group Franchising LLC

By: ____

Name: ______________________________________

Title: _______________________________________

FRANCHISEE:

____

By: ____

Name: ______________________________________

Title: _______________________________________

ADDENDUM TO THE DECOR GROUP FRANCHISING LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA

1. Item 5 “Initial Fees,” is amended by:

(a) Deleting the first sentence of the second paragraph under the subheading “Initial Franchise Fee” and replacing them with the following:

“The initial franchise fee is payable when you have completed the Quick Start Training program and opened for business.”

(b) Adding the following subsection at the end of Item 5:

“Deferral of Other Initial Payments Payable to Us

Any other initial payment payable to us before the business opens will be deferred until after you have completed the Quick Start Training program and opened for business.”

2. Item 7 “Estimated Initial Investment,” each table is amended by deleting the phrase “On signing Franchise Agreement” from the “When Due” columns of the Initial Franchise Fee line items and replacing it with the following:

Upon completion of the Quick Start Training program and the opening of the business.”

AMENDMENT TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA

The Decor Group Franchising LLC Franchise Agreement between ________________ ("Franchisee" or "You") and Decor Group Franchising LLC ("Franchisor") dated ____________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.

b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.

c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.

d. If the Agreement requires that it be governed by the law of a state, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.

e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

g. Any provision that provides that the parties waive their right to a jury trial may not be enforceable under North Dakota law.

h. A waiver of exemplary or punitive damages by the parties may not be enforceable under North Dakota law.

i. All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

Decor Group Franchising LLC

By: ____

Name: ______________________________________

Title: _______________________________________

FRANCHISEE:

____

By: ____

Name: ______________________________________

Title: _______________________________________

AMENDMENT TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND

The Decor Group Franchising LLC Franchise Agreement between ________________ ("Franchisee" or "You") and Decor Group Franchising LLC ("Franchisor") dated ___________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law, tit. 19 chap. 28.1 §§ 19-28.1-1 -19-28.1-34. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void with respect to any claims brought under Rhode Island Franchise Investment Act Sec. 19-28.1-14.

b. If this Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Section 19-28.1-14.

c. If the Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments shall be void with respect to claims under the Act.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

[Signature page follows]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owner acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

Decor Group Franchising LLC

By: ____

Name: ______________________________________

Title: _______________________________________

FRANCHISEE:

____

By: ____

Name: ______________________________________

Title: _______________________________________

ADDENDUM TO THE DECOR GROUP FRANCHISING LLC
DISCLOSURE DOCUMENT
<u>FOR THE STATE OF SOUTH DAKOTA</u>

1. Item 5 “Initial Fees,” is amended by:

   (a) Deleting the first sentence of the second paragraph under the subheading “Initial Franchise Fee” and replacing them with the following:

   “The initial franchise fee is payable when you have completed the Quick Start Training program and opened for business.”

   (b) Adding the following subsection at the end of Item 5:

   “<u>Deferral of Other Initial Payments Payable to Us</u>

   Any other initial payment payable to us before the business opens will be deferred until after you have completed the Quick Start Training program and opened for business.”

2. Item 7 “Estimated Initial Investment,” each table is amended by deleting the phrase “On signing Franchise Agreement” from the “When Due” columns of the Initial Franchise Fee line items and replacing it with the following:

   Upon completion of the Quick Start Training program and the opening of the business.”

ADDENDUM TO THE DECOR GROUP FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

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

> Additional Disclosure: The following statements are added to Item 17.h.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

ADDENDUM TO THE DECOR GROUP FRANCHISING LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

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

1) In any arbitration involving a franchise purchased in Washington, the arbitration or mediation site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

2) In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

3) A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

5) Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

6) RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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.

DECOR GROUP FRANCHISING LLC
WASHINGTON ADDENDUM TO THE
FRANCHISE AGREEMENT AND RELATED AGREEMENTS

The Decor Group Franchising LLC Franchise Agreement between _______________ ("Franchisee" or "You") and Decor Group Franchising LLC ("Franchisor") dated __________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

WASHINGTON LAW MODIFICATIONS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. Section 2(B)(8) of the Franchise Agreement is revised to state that any release signed by a renewing franchisee does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. Section 19(B)(6) of the Franchise Agreement is revised to state that any release signed by a transferring franchisee does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

Section 27 of the Franchise Agreement is revised to specify that franchisees have no obligation to indemnify or hold harmless an indemnified party for losses caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud

Section 30 of the Franchise Agreement does not modify the franchisor's duty to comply with the antidiscrimination provision under RCW 19.100.180(2)(c).

Section 33.E. of the Franchise Agreement is revised to state that franchisees are only responsible for court costs and reasonable attorneys' fees incurred by the franchisor if the franchisor is the prevailing party in any action or arbitration proceeding.

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. As such Section 32(B)(2) of the Franchise Agreement does not apply in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _______________ day of ____________________________________ 20______.

FRANCHISOR:

Decor Group Franchising LLC
a Delaware limited liability company

By: ____

Name: ______________________________________

Title: ______________________________________

FRANCHISEE:

____

By: ____

Name: ______________________________________

Title: ______________________________________

EXHIBIT D

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OPERATIONS MANUAL TABLE OF CONTENTS

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EXHIBIT E

FINANCIAL STATEMENTS

DECOR GROUP FRANCHISING LLC
(A Limited Liability Company)

BALANCE SHEET

NOVEMBER 12, 2024

DECOR GROUP FRANCHISING LLC
(A Limited Liability Company)
NOVEMBER 12, 2024

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Citrin Cooperman & Company, LLP
Certified Public Accountants

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New York, NY 10020
T 212.697.1000 **F** 212.202.5107
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INDEPENDENT AUDITOR'S REPORT

To the Member
Decor Group Franchising LLC

Opinion

We have audited the accompanying balance sheet of Decor Group Franchising LLC (a limited liability company) as of November 12, 2024, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Decor Group Franchising LLC as of November 12, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Decor Group Franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Decor Group Franchising LLC's ability to continue as a going concern for a reasonable period of time.

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

Citrin Cooperman & Company, LLP

New York, New York
December 19, 2024

DECOR GROUP FRANCHISING LLC
(A Limited Liability Company)
BALANCE SHEET
NOVEMBER 12, 2024

ASSETS

Cash	$ 99,980
TOTAL ASSETS	$ 99,980

LIABILITIES AND MEMBER'S EQUITY

Liabilities	$ -
Commitments (Notes 4, 5 and 6)	
Member's equity	99,980
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 99,980

See accompanying notes to financial statement.

NOTE 1. <u>ORGANIZATION AND NATURE OF OPERATIONS</u>

Decor Group Franchising LLC (the "Company" or "Franchisor"), a wholly-owned subsidiary of Decor Group HoldCo LLC (the "Parent"), was formed on October 23, 2024, as a Delaware limited liability company, to sell franchises pursuant to a license agreement dated December 16, 2024 between the Company and Decor Group IP LLC (the "Licensor"), an entity related through common ownership of the Parent. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under "The Decor Group" or "Christmas Decor" name and system that offers businesses specializing in special event holiday and Christmas lighting and decorating services, permanent lighting and product services, and landscape lighting services. The Company has not had significant operations from the date of formation through December 19, 2024, the date on which the financial statement was available to be issued, and has not executed any franchise agreements as of that date.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

<u>Basis of accounting</u>
The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

<u>Use of estimates</u>
The preparation of a balance sheet in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

<u>Revenue and cost recognition</u>
The Company expects that it will derive substantially all its revenue from franchise agreements related to franchise fee revenue, royalty fees, transfer fees, and marketing development fund fees. No such franchise agreements have been executed by the Company as of the date this financial statement was available to be issued.

Franchise fees, royalties and other franchise-related fees
Contract consideration from franchisees is expected to consist primarily of initial or renewal franchise fees, sales-based royalties, sales-based marketing development fund fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company intends to collect an up-front fee for the grant of such rights. The initial franchise fees are nonrefundable and collectable when the underlying franchise agreement is signed by the franchisee. During the franchisees' first year of operations the sales-based royalties and sales-based marketing development fund fees are payable on an annual basis. Subsequent to the franchisees' first year of operations the sales-based royalties and sales-based marketing development fund fees are payable on a quarterly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees, royalties and other franchise-related fees (continued)

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include training and other such activities commonly referred to collectively as "pre-opening activities." The Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a Company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct, as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company will estimate the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities that are not brand specific will be recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties will be earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property will be recognized as franchisee sales occur and the royalty is deemed collectible.

Marketing development fund

The Company may maintain a marketing development fund which will be established to collect and administer funds contributed for use in marketing and promotional programs for franchise units. Marketing development fund fees will be collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the marketing development fund and therefore will recognize the revenues and expenses related to the marketing development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing development fund are highly interrelated and therefore will be accounted for as a single performance obligation. As a result, revenues from the marketing development fund represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Marketing development fund (continued)

If marketing development fund fees exceed the related marketing development fund expenses in a reporting period, advertising costs will be accrued up to the amount of marketing development fund revenues recognized.

Other revenues

The Company will recognize revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortize them over the term of the franchise agreement.

Accounts receivable

Accounts receivable will be stated at the amount the Company expects to collect. The Company will maintain an allowance for doubtful accounts to estimate expected lifetime credit losses that are based on historical experience, the aging of accounts receivable, consideration of current economic conditions and its expectations of future economic conditions. If the financial condition of the Company's franchisees was to deteriorate or other circumstances occur that result in an impairment of franchisees' ability to make payments, the Company will record additional allowances as needed. The Company will write off uncollectible receivables against the allowance when collection efforts have been exhausted.

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statement does not include a provision or liability for federal or state income taxes.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at November 12, 2024.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through December 19, 2024, the date on which this financial statement was available to be issued. Except as disclosed in Notes 5 and 6, there were no other material subsequent events that required recognition or additional disclosure in this financial statement.

NOTE 3. CONCENTRATION OF CREDIT RISK

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation limits, with a major financial institution. Management believes that this policy will limit the Company's exposure to credit risk.

NOTE 4. MARKETING DEVELOPMENT FUND

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect marketing development fund fees up to 1% of franchisees' gross sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. There have been no contributions to the marketing development fund as of the date this financial statement was available to be issued.

NOTE 5. RELATED-PARTY TRANSACTIONS

License agreement

On December 16, 2024, the Company entered into a 10-year exclusive license agreement with the Licensor for the use of the registered name "The Decor Group" and "Christmas Decor" (the "license agreement") in the United States of America, which is renewable for additional consecutive 10-year periods. Pursuant to the license agreement, the Company acquired the right to sell "The Decor Group" and "Christmas Decor" franchises, and the right to earn franchise fees, royalties and other fees from franchisees. The Company is not obligated to pay the Licensor a license fee.

NOTE 6. ASSET PURCHASE AGREEMENT

On November 13, 2024, the Company entered into an Asset Purchase Agreement (the "APA"), in which the Company purchased substantially all of the assets of American Christmas Light and Supply, Inc. ("ACLS"). Per the APA, the trademarks and related intellectual property were purchased by the Company at acquisition and, on November 18, 2024, these were assigned and transferred to the Licensor. Concurrently with the APA, the Company signed a supplier agreement with ACLS whereby ACLS is to provide the Company and its franchisees various products, as defined in the agreement, for a period of four years, with renewal terms.

NOTE 6. ASSET PURCHASE AGREEMENT (CONTINUED)

The purchase price related to the APA amounted to $9,803,235 which was paid in a combination of cash, promissory notes, and equity interest in the Parent of the Company. The promissory notes consisted of (1) a five-year $3,235,000 secured promissory note payable in yearly installments commencing in November 2025 at an interest rate of 8% compounded annually and payable quarterly and (2) three promissory notes (secured and unsecured) ranging from $75,000 to $686,043 which are non-interest bearing with a maturity date of February 15, 2025.

EXHIBIT F

END USER LICENSE

END-USER LICENSE AGREEMENT FOR
PROPRIETARY SOFTWARE
IMPORTANT – READ CAREFULLY

This License Agreement ("LICENSE AGREEMENT") is a legal agreement between the individual or entity identified on the signature page as the "Licensee" ("LICENSEE," "you," or "your") and Decor Group Franchising LLC ("LICENSOR," "we," "us," or "our").

This License Agreement covers the proprietary software for the Christmas Decor program and any associated media, printed materials, and online or electronic documentation and applies to the version of the computer software listed on the signature page ("SOFTWARE PRODUCT").

1. GRANT OF LICENSE.

1.1 This License Agreement grants you a non-exclusive right to install and use the SOFTWARE PRODUCT solely in connection with the operation of your Franchised Business.

1.2 If this license is for the single-user version of the SOFTWARE PROGRAM, you may use one copy of the SOFTWARE PRODUCT on only one computer at a time. If you have multiple licenses of the SOFTWARE PRODUCT, you may install the SOFTWARE PRODUCT on the same number of workstations as the number of licenses you have. Installation on a network server solely for distribution to licensed workstations does not count as an installation. You must have a reasonable process to assure that the number of workstations where the SOFTWARE PRODUCT is installed does not exceed the number of licenses you have bought.

2. REPRODUCTION AND DISTRIBUTION

You may not modify, copy, reproduce and/or distribute copies of the SOFTWARE PRODUCT or the registration key(s) unless expressly permitted in writing by the LICENSOR, and in such event solely to the extent required for use of the SOFTWARE PRODUCT in the operation of your Franchised Business.

3. CONFIDENTIALITY

3.1 You understand and acknowledge that the SOFTWARE PRODUCT contains our trade secrets. You agree, during the term of this License Agreement and thereafter, not to communicate, divulge or use the SOFTWARE PRODUCT other than in the operation of your Franchised Business by you and your employees. You may allow access to the SOFTWARE PRODUCT only to your employees who must have access to it in connection with their employment with the Franchised Business. At our request, you will obtain execution of covenants concerning the confidentiality of the SOFTWARE PRODUCT (in a form we approve) from any persons employed by you who have access to the SOFTWARE PRODUCT.

3.2. You agree to exercise reasonable precautions, no less rigorous than those you use to protect your own confidential information, to protect the confidentiality of the SOFTWARE PRODUCT and the user and operating manuals pertaining thereto, which precautions must include, at a minimum, giving instructions to your employees who will have access to the SOFTWARE PRODUCT that it is our proprietary property and contains our trade secrets. You agree not remove or alter any designations that we have included in the SOFTWARE PRODUCT that indicate such material is our proprietary property.

3.3. You agree to notify us immediately of the existence of any unauthorized knowledge, possession or use of the SOFTWARE PRODUCT or of any part thereof.

3.4. You acknowledge and agree that the SOFTWARE PRODUCT is our valuable property and contains our trade secrets, that any violation by you of the provisions of this License Agreement would cause us irreparable injury for which we would have no adequate remedy at law, and that, in addition to any other remedies which we may have, we will be entitled to preliminary and other injunctive relief against any such violation.

4. OTHER RIGHTS AND LIMITATIONS

4.1. You may not reverse assemble, reverse compile, or otherwise recreate the SOFTWARE PRODUCT.

4.2. The SOFTWARE PRODUCT is licensed as a single product. Its component parts may not be separated for use with other applications unless expressly permitted in writing by the LICENSOR.

4.3. Should the SOFTWARE PRODUCT become, or in LICENSOR'S opinion be likely to become, the subject of a claim of infringement, LICENSOR may (at LICENSOR'S election) procure for you the right to continue to use the SOFTWARE PRODUCT or replace the SOFTWARE PRODUCT with non-infringing functionally equivalent software, or modify the SOFTWARE PRODUCT to make it non-infringing. If none of these alternatives are commercially practicable for LICENSOR, then LICENSOR may discontinue this License Agreement as to the infringing software.

5. OWNERSHIP OF SOFTWARE PRODUCT AND RELATED COPYRIGHTS.

All title and copyrights in and to the SOFTWARE PRODUCT (including but not limited to any images, photographs, animations, video, audio, music, text, and "applets" incorporated into the SOFTWARE PRODUCT), the accompanying printed materials, and any copies of the SOFTWARE PRODUCT are owned by the LICENSOR.

6. NO WARRANTIES; NO LIABILITY FOR DAMAGES.

LICENSOR will replace without charge any copies of the SOFTWARE PRODUCT provided under this License Agreement which have defects in materials and workmanship that are not caused by your misuse or unauthorized modification of the SOFTWARE PRODUCT. THIS REPLACEMENT SHALL BE YOUR SOLE AND EXCLUSIVE REMEDY.

LICENSOR expressly disclaims any warranty for the SOFTWARE PRODUCT. The SOFTWARE PRODUCT and any related documentation is provided "as is" without warranty of any kind, either expressed or implied, including, but not limited to, the implied warranties or merchantability, fitness for a particular purpose, or non-infringement. The entire risk arising out of use or performance of the SOFTWARE PRODUCT remains with the LICENSEE.

LICENSOR shall not be liable for any direct, indirect, special, incidental or consequential damages (including damages for loss of business, loss of profits, or the like), arising out of the use or inability to use the SOFTWARE PRODUCT, whether based on breach of contract, tort (including negligence), product liability or otherwise, even if LICENSOR or its representatives have been advised of the possibility of such damages and even if a remedy set forth herein is found to have failed of its essential purpose. To the extent provided by applicable law, the foregoing limitations of damages do not apply to damages for personal injury to you, if any. In the event that any other term of this License Agreement is found to be unconscionable or unenforceable for any reason, the foregoing waiver by agreement of direct, indirect, special, incidental or consequential damages (including damages for loss of business, loss of profits, or the like) shall continue in full force and effect.

7. TRANSFER: You may not sell, lease, assign, sublicense or otherwise transfer any of your rights under this License Agreement without the prior written consent of LICENSOR in connection with the transfer of your Franchised Business.

8. TERM, RENEWAL AND TERMINATION

8.1. The license granted by this License Agreement will expire on August 1 of the year following the date of this License Agreement and on each August 1st thereafter unless, on or before such date, you renew this license by paying a renewal fee. The renewal fee shall be paid in the manner established by LICENSOR.

8.2. Provided that the license is renewed each year as described above, the term of this License Agreement shall be co-extensive with the term of your Franchise Agreement identified on the signature page to this License Agreement ("Franchise Agreement"), including any renewal of the Franchise Agreement, unless earlier terminated in accordance with Section 8.3 below.

8.3 Expiration or termination of the Franchise Agreement for whatever reason shall automatically terminate this License Agreement and the right granted by it to use the SOFTWARE PRODUCT, without notice to you. In addition, without prejudice to any other rights, we may terminate this License Agreement immediately, without notice, upon your failure to comply with any of the terms and conditions herein, including, without limitation, your failure to renew the license as provided in Section 8.1.

8.4 Upon termination of this License Agreement, you must immediately cease to use the SOFTWARE PRODUCT, erase the SOFTWARE PRODUCT from your computer system, and destroy or return to us (at our direction) all copies of the SOFTWARE PRODUCT and all of its component parts. You must also return the PC provided by us, if applicable (but only in the event that you fail to renew at the end of the initial term of this Agreement).

9. NOTICES

Notice under this License Agreement shall be provided as indicated in the Franchise Agreement.

10. GOVERNING LAW

This License Agreement shall be interpreted by and construed under the laws of the state of Texas, except for Texas choice of law rules.

In Witness Whereof, the parties have duly executed and delivered this License Agreement as of the effective date of the Franchise Agreement.

LICENSOR

Decor Group Franchising LLC

By: ____

Name: ______________________________________

Title: _______________________________________

LICENSEE

____

Name: ______________________________________

Title: _______________________________________

Franchise Agreement dated: _______, ____

SOFTWARE PRODUCT VERSION

____ Multi-User
____ Single-User
(check one)

EXHIBIT G

FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

MUTUAL RELEASE AGREEMENT

This Mutual Release Agreement (the "Agreement") is made and entered into this _____ day of ____________ 20__ (the "Effective Date"), by and between Decor Group Franchising LLC ("Franchisor"), __________________________, a ______________ **[insert state of incorporation, formation or organization of franchisee entity]** and ___________________ **[insert name of owner or owners of the franchisee entity]**, individually (collectively, the "Franchisee"; reference to "Franchisee" in this Agreement shall include the parties individually and collectively). Capitalized terms used but not defined herein shall have the meanings attributable to them under the Franchise Agreement (defined below).

RECITALS:

Franchisor and Franchisee entered into a Franchise Agreement ("Franchise Agreement") dated ____________________ under which Franchisee obtained the right to establish and operate one (1) Franchised Business (the "Business") under the System and Marks.

In connection with the **[termination; non-renewal; transfer]** of the Franchise Agreement, Franchisor and Franchisee desire to enter into this Mutual Release Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties agree as follows:

1. Franchisee's Release and Covenant Not to Sue.

a. Release. As of the Effective Date of this Agreement, Franchisee and its respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on its behalf or claiming under it ("Franchisee Covenantors"), hereby release and forever discharge Franchisor, its predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, shareholders, employees, successors, and assigns, past and present ("Franchisor Released Parties"), from any claims, debts, liabilities, demands, obligations, actions, and causes of action, known or unknown, vested or contingent, which any of them have ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the Franchise Agreement from the beginning of the world through the date of this Agreement, except for the obligations of the Franchisor under this Agreement.

b. Covenant Not To Sue. Franchisee further covenants and agrees for itself and for Franchisee Covenantors not to bring or allow to be brought on behalf of any Franchisee Covenantor, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against the Franchisor Released Parties arising out of, resulting from, or in any manner related to the matters released in Paragraph 1.a.

2. Franchisor's Release and Covenant Not to Sue.

a. Release. As of the Effective Date of this Agreement, Franchisor, its affiliates and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them ("Franchisor Covenantors"), hereby release and forever discharge Franchisee, and its respective predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, employees, successors, and assigns, past and present ("Franchisee Released

Parties"), from any claims, debts, liabilities, demands, obligations, actions, and causes of action, known or unknown, vested or contingent, which any of them have ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the Franchise Agreement from the beginning of the world through the date of this Agreement, except for the obligations of Franchisee under this Agreement and those obligations of Franchisee that survive the expiration, transfer or termination of the Franchise Agreement (including, without limitation, the confidentiality of proprietary information, the surrender of customer lists, indemnification, and the covenants against competition and the diversion of business).

b. Covenant Not To Sue. Franchisor further covenants and agrees for itself and for all Franchisor Covenantors not to bring or allow to be brought on behalf of any Franchisor Covenantor, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against the Franchisee Released Parties arising out of, resulting from, or in any manner related to the matters released in Paragraph 2.a.

3. Continuing Liability of Franchisee. Notwithstanding anything to the contrary in this Agreement, following the Effective Date, Franchisee will continue to be responsible for the following:

a. Unpaid Fees. All accrued but unpaid royalty fees, marketing development fees or contributions, and other amounts owed to Franchisor or its affiliates as of the Effective Date, as detailed on Attachment A to this Agreement.

b. Indemnity. All of its respective obligations and/or liabilities to Franchisor arising under the Franchise Agreement through the Effective Date, including, without limitation, the obligation to indemnify Franchisor for any claims arising from the operation of the Business through the Effective Date.

c. Covenants Against Competition and Use of Confidential Information. All of its respective obligations that survive the termination, expiration or transfer of the Franchise Agreement, including, without limitation, the covenants against competition and use of Franchisor's confidential information set forth in the Franchise Agreement.

4. Franchisee's Acknowledgements and Agreements. By affixing its signature to this Agreement, Franchisee represents, warrants, acknowledges and agrees that:

a. Knowing and Voluntary Release. Franchisee has carefully read and fully understands the provisions of this Agreement, including, specifically, Franchisee's release of claims and covenant not to sue set forth in Paragraphs 1.a. and 1.b. of this Agreement, and that the release of such claims and covenant not to sue is knowing and voluntary.

b. No Assignment of Claims. Franchisee has not assigned or transferred, or purported to assign or transfer, to any person or entity, any suit, claim, controversy, liability, demand, action, or cause of action released under Paragraph 1. of this Agreement, and since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the franchised business, the Franchise Agreement, or any rights or interests therein or in the Franchisee.

c. Complete Defense. This Agreement and the release in Paragraph 1.a. above shall be a complete defense to any claim released under Paragraph 1.a. and Franchisee hereby consents to the entry of a temporary or permanent injunction to end the assertion of any such claim.

d. California Waiver. If Franchisee is in California, Franchisee expressly waives and relinquishes all rights and benefits which Franchisee may now or in the future have under and by virtue of California Civil Code Section 1542. Franchisee does so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release and discharge as described in Paragraph 1.a. above, Franchisee expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all claims described in Paragraph 1.a. above which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.

e. Washington Law Exception. If Franchisee is in Washington, this Mutual Release Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

5. Indemnification. Franchisee agrees to indemnify Franchisor, its predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, shareholders, employees, successors, and assigns, past and present, for any losses, damages, liability, costs and expenses (including reasonable attorneys' fees and disbursements and court costs) (i) incurred as a result of any breach by Franchisee of any of the representations and/or warranties contained in this Agreement, or (ii) incurred in defending against, or seeking an injunction to end the assertion of, any claim released under Paragraph 1.a. above, or (iii) arising out of, resulting from, or related in any way to the Business or of any other business conducted by Franchisee in connection with the Business or the Franchise Agreement or because of any act or omission by Franchisee under the Franchise Agreement.

6. General Provisions.

a. Amounts Due. Franchisee warrants and represents that all fees and other amounts payable to Franchisor or its affiliates under the Franchise Agreement are current as of the date of this Agreement.

b. Attorneys' Fees. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

c. Entire Agreement. This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof. No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any of the terms or conditions set forth herein.

d. Authority. By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein, and further warrants that this Agreement is being executed without reliance on any representation of any kind or character not expressly set forth herein. Each party warrants that it has read this Agreement and has had the opportunity to consult with legal counsel as to its effect.

e. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.

f. Survival. All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.

g. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified, registered or express mail, postage prepaid to the parties at their respective addresses set forth below or to such other address as any party may hereafter specify in writing and deliver in accordance with this Paragraph 6.g. Any such notice shall be deemed given when so delivered personally or sent by facsimile transmission or, if mailed, three (3) days after the date of deposit in the United States mail, to:

If to Franchisee: ______________________________
____
____
____
Telephone: ______________________

If to Franchisor: Decor Group Franchising LLC
2301 Crown Court
Irving, Texas 75038
Attn: Brandon Stephens
Telephone: (806) 722-1225

h. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.

i. Confidentiality. Franchisee shall at all times treat as strictly confidential and refrain from disclosing the terms and conditions of this Agreement to any third party, except Franchisee's attorney. If Franchisee violates this Paragraph 8.i., Franchisor shall be entitled to seek all legal and equitable remedies, including, without limitation, the return of the full Agreed Amount and any additional damages, as well as injunctive relief.

j. Further Assurance. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date.

FRANCHISOR:

Decor Group Franchising LLC
a Delaware limited liability company

By: ______________________________________

Name: ________________________________

Title: _________________________________

FRANCHISEE:

____

By: ______________________________________

Name: ________________________________

Title: _________________________________

____

________________________________, Individually

____

________________________________, Individually

EXHIBIT H

ACH AUTHORIZATION AGREEMENT

ACH AUTHORIZATION AGREEMENT

Payment for:	____Christmas Decor Franchise Fee ____Option payment ____Minimum Royalty fees ____ Minimum MDF ____Renewal Payment ____Other (please specify) ________________
Type of Debit:	____One-time payment ____ Ongoing Monthly Payment for the term of the Franchise Agreement

Name: _________________________________ Tax ID Number: ________________________________
Mailing Address: ____
City: ______________________ State: ___________ Zip Code: ______________

I (We) hereby authorize Decor Group Franchising LLC hereafter called COMPANY, to initiate debit entries to my (our) ( ) Checking ( ) Savings Account (select one) indicated below at the depository financial institution named below, hereinafter called BANK and to debit the same to such account. This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY AND BANK a reasonable opportunity to act on it. I agree that a photocopy of this authorization is to be considered valid as the original.

Bank Name: _______________________________ Branch: ___________________________________

City: _____________________________________ State: ____________________________________

Routing Number: ___________________________ Account Number: ___________________________

Names(s): ____

Signed: ___________________________________

Date: _____________________________________ TIN or SS# ________________________________

Signed: ___________________________________

Date: _____________________________________ TIN or SS# ________________________________

Note: All written debit authorizations must provide that the receiver may revoke the authorization only by notifying the originator in the manner specified in the authorization.

Attach Voided Check to this Authorization

EXHIBIT I

CREDIT CARD AUTHORIZATION AGREEMENT

Credit Card Authorization Agreement

Company Name:	**Phone Number:**	**Date:**

☐	Decor Group Franchising LLC - CHRISTMAS DECOR
☐	OTHER – PLEASE SPECIFY ____

Card Type (please check one):		**Card Number:**	**Expiration Date:**
☐	VISA		
☐	MASTERCARD		
☐	AMERICAN EXPRESS		
☐	DISCOVER		

** Please include 3-digit authorization code: __________
(this is found on the back of your card in the signature block at the end of the acct #)

Name on Card (Please print):

____

<u>Credit Card Billing Address:</u>

__________________________ **City:** _____________________ **State**: _______ **Zip:** _______________

☐ Option Fee $_______________

☐ Recurring Option Payment $_______________

☐ Date Range: from _____/_____/_____ to _____/_____/_____

☐ Franchise Fee $ _______________

☐ Minimum Marketing Development Fund $50.00/monthly Feb-Sept & Oct-Dec balloon payments per Agreement

☐ Minimum Royalty Payment $250.00/monthly Feb-Sept & Oct-Dec balloon payments per Agreement

☐ Other (please specify) _______________

Authorization is for (please check all that apply):

TOTAL AMOUNT AUTHORIZED: $_______________

AUTHORIZATION IS FOR (Please check one):

☐ Monthly beginning on February 1 of the 2nd Franchise year through the expiration date of the Franchise Agreement

☐ One time only

AUTHORIZED SIGNATURE:

____

THANK YOU!

I AGREE TO PAY ABOVE TOTAL AMOUNT ACCORDING TO CARD ISSUER AGREEMENT.

RETURN THIS COPY; MAKE A COPY FOR YOUR RECORDS.

EXHIBIT J

PROMISSORY NOTE, SECURITY AGREEMENT, GUARANTY AGREEMENT

PROMISSORY NOTE

Date____________________________

1. **FOR VALUE RECEIVED**, the undersigned ______________________________, hereafter "Maker/s," promises to pay to the order of Decor Group Franchising LLC, a Delaware limited liability company, 2301 Crown Court, Irving, TX 75038, hereafter "Payee," ($ _____________) in lawful money of the United States of America, together with interest from the date of this Note on the principal amount from time to time remaining unpaid, at the rate per annum described below.

2. **Interest**. This Note shall bear interest at ten percent (10%) per annum unless not paid as per the payment schedule. At that time, the interest rate may be raised to eighteen percent (18%) per annum or the maximum allowed by law.

3. **Payment of Note**. Maker/s hereby agrees to pay to Payee the following installment payments to repay, with interest, Payee the monies loaned to Maker/s by Payee:

(a) Commencing on ________________________, and continuing on each succeeding month on the *1st* day of each said successive month and thereafter for a period of eighteen (18) months, Maker/s shall pay to Payee installment payments of ________________________________ DOLLARS AND __________________CENTS ($ _____.__) per month until the principal and interest owed to Payee is paid.

(b) Any draft, money order or other instrument given in payment of all or any portion of this Note may be accepted by payee and handled in collection in the customary manner, but the same shall not constitute payment under this Note or diminish any rights of Payee except to the extent that actual cash proceeds of such instrument are unconditionally received by the Payee.

4. **Prepayment**. Maker/s may at any time prepay, in whole in part, and without any premium or penalty therefore, the principal amount of this Note then remaining unpaid, together with all accrued interest payable on the Note, and interest shall cease to run from the date of payment of such part on all of the principal amount of this Note as shall be so prepaid. Any such prepayment under this Note shall be applied first to accrued interest and the balance to principal, but no part prepayment shall, until this Note is fully paid and satisfied, affect the obligation to continue to pay the regular installments required under this Note until the entire indebtedness has been paid.

5. **Default**. If (I) Maker/s shall fail to pay this Note or any installment of this Note, whether principal or interest, when due, and if Maker/s shall not have cured such default in the payment of principal and interest, or either, within five (5) days after Maker/s shall have received from Payee written notice of such Payee's intent to accelerate the maturity of this Note, or (ii) there shall be a default of that certain Security Agreement of even date herein between Maker/s (as Debtor) and Payee (as Secured Party), then Payee may, without further demand, notice or presentment, all of which are hereby severally waived by Maker/s, and waived by any and all sureties, guarantors, and endorsers of this Note, may accelerate the maturity of this Note, upon which the entire unpaid balance of the principal of this Note, together with all accrued but unpaid interest on the Note, shall be at once due and payable.

6. **Collection**. If this Note is not paid at maturity, and after maturity this Note is placed in the hands of an attorney for collection, or if any amounts owed under this Note are collected through any legal proceedings, including but not limited to probate, insolvency, or bankruptcy proceedings, or if suit is brought on the same, Maker/s agrees to pay a reasonable amount as attorney's fees and expenses of collection.

Usury Exclusion. All agreements between Maker/s and Holder are expressly limited such that in no contingency or event shall the amount paid or agreed to be paid to Holder for the use, forbearance, or detention of the money to be lent under this Note exceed the maximum amount permissible under the applicable Federal and State Usury laws. It is the intention of Maker/s and Holder to conform strictly to the State and Federal Usury laws applicable to this loan transaction, and to permit the highest rate of interest according to law.

Therefore, in this Note, or in any of the documents securing payment of this Note or otherwise relating to this Note, the aggregate of all interest and any other charges constituting interest under the applicable law, whether contracted for, chargeable, or receivable under this Note or otherwise in connection with this loan transaction, shall under no circumstances exceed the maximum amount of interest permitted by law. If any excess of interest is provided for, or is adjudicated to be so provided for, in this Note or in any of the documents securing payment of this Note or otherwise relating to this Note, then in such event:

(a) the provisions of this paragraph shall govern and control;

(b) neither Maker/s nor Maker/s's heirs, legal representatives, successors, assigns or any other party liable for the payment of this Note shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum permitted by law;

(c) any excess of interest shall be deemed a mistake and is hereby canceled automatically, and any excess of interest paid shall, at the option of Payee, be refunded to Maker/s or credited to the principal amount of the Note;

(d) the effective rate of interest shall be automatically subject to reduction to the maximum lawful contract rate allowed under applicable law, as it now or may later be construed by courts of appropriate jurisdiction;

(e) the determination of the rate of interest shall be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the loan, all interest at any time contracted for, charged or received from Maker/s in connection with the loan.

7. Personal Liability. This Note shall be the joint and several obligation of all Makers and endorsers and shall be binding upon them, individually and severally, their heirs, legal representatives, successors, and assigns. Each Maker and endorser hereby, jointly and severally, waive presentment for payment, demand, protest, and notice hereof, and diligence in collecting on notice of exercise of the option to accelerate the maturity of this Note, and the time of the payment may be extended from time to time without notice and without releasing any of the parties.

8. Assignment. This instrument, and all rights and powers under this instrument, together with the property so secured, if any, may be transferred and assigned by Payee on such time and on such terms as Payee may deem advisable, and assignee shall succeed to all the rights and powers of Payee under this instrument.

9. Construction. This Note shall be governed by and construed under the laws of the State of Texas and the laws of the United States of America.

IN WITNESS WHEREOF, the undersigned has executed this Note on the date first written above.

Maker/s:

____

____

____

SECURITY AGREEMENT

________________________, of ____
hereafter "DEBTOR," and Decor Group Franchising LLC*,* hereafter "SECURED PARTY," agree as follows:

CREATION OF SECURITY INTEREST

DEBTOR hereby grants to SECURED PARTY a security interest in that certain Franchise Agreement between Debtor and SECURED PARTY dated ________________ to secure the performance and payment of all obligations and indebtedness, of whatever kind and whenever or however created or incurred, of DEBTOR to SECURED PARTY.

COLLATERAL

The COLLATERAL to this SECURITY AGREEMENT shall be that certain Franchise Agreement between DEBTOR and SECURED PARTY dated ________________, the original of which is attached to this SECURITY AGREEMENT and SECURED PARTY'S superior lien is hereby perfected.

DEBTOR'S OBLIGATIONS

DEBTOR shall pay to SECURED PARTY any sum or sums due, or which may become due, pursuant to any promissory note or notes now or hereafter executed by DEBTOR to evidence DEBTOR's indebtedness to SECURED PARTY, in accordance with the terms of such promissory note or notes and the terms of this security agreement.

DEBTOR shall pay to SECURED PARTY on demand all expenses and expenditures, including reasonable attorney's fees and other legal expenses incurred or paid by SECURED PARTY in exercising or protecting its interests, rights, and remedies under this Security Agreement.

DEBTOR shall pay immediately, without notice, the entire unpaid indebtedness of DEBTOR to SECURED PARTY, whether created or incurred pursuant to this security agreement or otherwise, upon DEBTOR's default under this security agreement.

DEBTOR REPRESENTS, WARRANTS, AND AGREES THAT:

DEBTOR's	____	**NAME**
	____	**ADDRESS**
	____	**CITY, ST ZIP**

All information supplied and statements made by DEBTOR in any accounting, credit, or financial statement or loan application prior to, contemporaneously with, or subsequent to the execution of this security agreement are and shall be complete, true, and correct.

No financing statement covering the Collateral or its process is on file in any public office. Except for the security interest granted in this security agreement, there is no lien, security interest, or encumbrance in or on the Collateral. DEBTOR is the owner of the Collateral.

DEBTOR shall pay, prior to delinquency, all taxes, charges, liens and assessments against the Collateral, and upon DEBTOR's failure to do so, SECURED PARTY at its option may pay any of these and shall be sole judge of the legality or validity of these obligations and the amount necessary to discharge them.

DEBTOR will execute any financing statement, or other instrument or document, deemed necessary by SECURED PARTY to protect the security interest under this security agreement against the rights or interests of third persons.

If in SECURED PARTY's judgment the Collateral has materially decreased in value, or if SECURED PARTY shall at any time deem that SECURED PARTY is insecure, DEBTOR will either provide enough additional collateral to satisfy SECURED PARTY or reduce the total indebtedness by an amount sufficient to satisfy SECURED PARTY.

DEBTOR hereby appoints SECURED PARTY as DEBTOR's attorney-in-fact to do any and every act that DEBTOR is obligated by this security agreement to do, and to exercise all rights of DEBTOR in the Collateral, and to execute any and all papers and instruments to do all other things necessary to preserve and protect the Collateral and to protect SECURED PARTY's security interest in the Collateral.

At SECURED PARTY's option, SECURED PARTY may discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral, and all sums so expended, including, but not limited to, attorney's fees, court costs, agent's fees, commissions, or any other costs or expenses, shall bear interest from the date of payment at the rate of eighteen percent (18 %) per annum and shall be payable at the place designated in the note or notes secured by this security agreement.

DEBTOR agrees to reimburse SECURED PARTY for any payment made, or expense incurred by SECURED PARTY pursuant to the foregoing authorization.

DEFAULT

DEBTOR shall be in default under this security agreement and promissory note upon the happening of any of the following events or conditions:

(1) DEBTOR's failure to pay when due any indebtedness secured by this security agreement, either principal or interest;

(2) any warranty, representation or statement made or furnished to SECURED PARTY by or in behalf of DEBTOR proves to have been false in any material respect when made or furnished;

(3) default in the performance of any obligation, covenant, or liability contained or referred to in this security agreement and promissory note;

(4) the making of any levy, seizure or attachment of or on the Collateral;

(5) dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the Collateral, assignment for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency law, of, by, or against DEBTOR;

(6) any time the Collateral becomes, in the judgment of the SECURED PARTY, unsatisfactory or insufficient in character or value;

(7) any time the SECURED PARTY believes the payment of the indebtedness secured hereby, or the performance of this security agreement, is impaired;

RIGHTS IN EVENT OF DEFAULT

Upon the occurrence of an event of default, or if SECURED PARTY deems payment of DEBTOR's obligations to SECURED PARTY to be insecure, and at any time thereafter, SECURED PARTY may declare all obligations secured hereby immediately due and payable, and shall have the rights and remedies of a SECURED PARTY under the Uniform Commercial Code of Texas, including, without limitation, the right to sell, lease or otherwise dispose of any or all of the Collateral, and the right to take possession of the Collateral, SECURED PARTY will send or otherwise make available to DEBTOR reasonable notice of the time and place of any public sale of the Collateral, or of the time after which any private sale or other disposition of the Collateral is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to DEBTOR at the address designated at the beginning of this Security Agreement, or if notice is otherwise posted on the door of the premises of DEBTOR, or any public place, at least five (5) days before the time of the sale or disposition. It is expressly understood and agreed by DEBTOR that SECURED PARTY's right to take possession of the Collateral upon the happening of the events of default specified in this Agreement may be exercised without resort to any court proceeding or judicial process whatever, and without any hearing whatever. In this connection, DEBTOR expressly waives any right to any judicial process or to any hearing prior to the exercise of SECURED PARTY's right to take possession of the collateral upon the happening of any such events of default. Expenses of retaking, holding, preparing for sale, or selling, or the like, of any Collateral shall include SECURED PARTY's reasonable attorney's fees and legal expenses, plus interest thereon at the rate of eighteen percent (18%) per annum. DEBTOR shall remain liable for any deficiency.

SECURED PARTY may remedy any default or may waive any default. Any such waiver does not waive other prior or subsequent default.

The remedies of SECURED PARTY under this Agreement are cumulative, and the exercise of any one or more of the remedies provided for in this Agreement shall not be construed as a waiver of any of the other remedies of SECURED PARTY.

ADDITIONAL AGREEMENTS

The term "DEBTOR" as used in this instrument includes the successors, representatives, receivers, trustees and assigns of the party specifically named as DEBTOR under this agreement.

Terms used in this security agreement that are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

The law governing this secured transaction shall be that of the State of Texas in force at the date of this Security Agreement.

EXECUTED this ________ Day of ____________________20__.

DEBTOR:

____ **NAME**

____ **ADDRESS**

____ **CITY, ST ZIP**

Accepted –Decor Group Franchising LLC

By: _____________________________________

Name: ___________________________________

Date: ____________________________________

SPECIFIC GUARANTY AGREEMENT

FOR VALUE RECEIVED, the undersigned (whether one or more, hereafter called "Undersigned" or "Guarantor") jointly, severally and unconditionally guarantee the full and punctual payment when due of the following described indebtedness of ____(whether one or more, hereinafter called "Borrower") to Decor Group Franchising LLC (hereafter called "Lending Party"):

One certain promissory note in the original principal amount of ________________________ DOLLARS AND _____________CENTS ($ _____.__), dated _______________ executed by Borrower and payable to the order of Lending Party, bearing interest at ten percent per annum (10%) and payable in monthly installments of principal and interest beginning (sixty (60) days from Franchise date) _________________, and continuing thereafter until paid in full, together with all renewals and extensions thereof, even though represented by new instruments or occurring after the death of any Borrower or Undersigned, and together with all interest, attorney's fees, and court costs for which Borrower may become payable in connection therewith.

The undersigned further, jointly and severally, agree to pay to Lending Party or to Lending Party's successors or assigns, all reasonable attorney's fees incurred by Lending Party in enforcing this agreement, if the indebtedness and obligations guaranteed under this Agreement are not paid by the undersigned upon demand when due as required in this Agreement or if this Agreement is enforced by suit or through probate or bankruptcy court or through any judicial proceedings whatsoever. Should it be necessary to reduce Lending Party's claim to judgment, said judgment shall bear interest at the rate of eighteen percent (18%) per year.

The undersigned waive notice of acceptance of this guaranty and of any liability to which it applies or may apply and waive presentment and demand for payment of any amounts guaranteed, notice of dishonor or nonpayment thereof, collection or instigation of suit, or any other action by Lending Party in collection thereof, including any notice of default in payment thereof, or other notice or demand of payment therefor on any party.

Lending Party may, at Lending Party's option, at any time, without the consent of or notice to the undersigned, without incurring responsibility to the undersigned, without impairing or releasing the obligations of the undersigned on this Agreement, and without any terms or conditions, and in whole or in part (1) change the manner, place or terms of payment, or change or extend the time of payment of, renew, or alter any liability of Borrower guaranteed by this Agreement, or any liabilities incurred directly or indirectly under this Agreement, and the guaranty made in this Agreement shall apply to the liabilities of the Borrower, changed, extended, renewed or altered in any manner; (2) sell, exchange, release, subordinate its lien on, surrender, realize upon, or otherwise deal with in any manner and in any order any property at any time pledged or mortgaged to secure or securing the liabilities; (3) exercise or refrain from exercising any rights against Borrower or others, or otherwise act or refrain from acting; (4) settle or compromise any liabilities hereby guaranteed or hereby incurred, and may subordinate the payment of all or any part of such liabilities to the payment of any liabilities that may be due to Lending Party or others; and (5) apply any sums paid to any liability or liabilities of Borrower to Lending Party, regardless of which liability or liabilities of Borrower to Lending Party remain unpaid.

It is the intention of the parties to this Agreement to comply with the usury laws of the State of Texas. Accordingly, it is agreed that notwithstanding any provision to the contrary in this instrument, or in any note or other instrument, or in any of the other documents securing payment of this Agreement, or otherwise relating to this Agreement, no such provision shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any such excess of interest is provided for, or shall be adjudged to be so provided for, then in such event (a) the provisions of this paragraph shall govern and control; (b) neither the person executing this instrument nor his heirs, successors or assigns or any other party liable for the payment of this Agreement shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount permitted by law; (c) any such excess that may have been collected shall be, at Lending Party's option, either applied as a credit against the then unpaid principal amount owing on the obligations, or refunded; and (d) the effective rate of interest covered by this Guaranty Agreement shall be automatically subject to reduction to the maximum lawful contract rate allowed under the usury laws of the State of Texas as such laws may now or later be construed by the courts having jurisdiction.

Suit may be brought against the Guarantors, jointly and severally, or against one or more of them, but less than all, without impairing the rights of Lending Party, or Lending Party's successors or assigns, against any of the other Guarantors; and Lending Party may release one or more of the Guarantors, or settle with such person or persons, as Lending Party deems fit, without releasing or impairing the rights of Lending Party to demand and collect the balance of such indebtedness from the other remaining Guarantors not so released. It is agreed among the Guarantors, however, that such settlement and release shall not impair the rights of the Guarantors as among themselves.

This Agreement is for the benefit of Lending Party, and for such other persons as may from time to time be or become the holders of any indebtedness guaranteed by this Agreement. This Agreement shall be transferable and negotiable, with the same force and effect and to the same extent as the indebtedness that it guarantees may be transferable. It is agreed that upon the assignment or transfer by Lending Party of any indebtedness guaranteed by this Agreement, the legal holder of such indebtedness shall have all of the rights granted to Lending Party under this guaranty.

Lending Party, and Lending Party's successors and assigns, shall not be liable for failure to use diligence in the collection of any indebtedness guaranteed by this Agreement, or in preserving the liability of any person liable on the indebtedness, and the Guarantors hereby waive presentment for payment, notice of nonpayment, protest, notice thereof, and diligence in bringing suit against any person liable for any indebtedness guaranteed by this Agreement.

This instrument is a specific guaranty of indebtedness evidenced by the above-described promissory notes and all renewals and extensions thereof and shall not be wholly or partially satisfied or extinguished by Guarantor's partial payment of any amount thereunder but shall continue in full force and effect as against each of the respective Guarantors for the full amount of the indebtedness specified above until the payment in full of the indebtedness. Guarantors, or any one or more of them, may give to Lending Party written notice that the Guarantor or Guarantors giving such notice will not be liable under this Agreement for any obligations renewed or extended by Lending Party after the giving of such notice, and such notice will be effective as to the Guarantor or Guarantors who give such notice from and after, but not before, such time as the written notice is actually delivered to and received by and acknowledged in writing by Lending Party; provided, that such notice shall not in any way affect, impair or limit the liability and responsibility of any other of the Guarantors under this Agreement with respect to any obligations previously existing or thereafter arising, and Lending Party shall have the right to renew and extend such indebtedness without notice to the remaining Guarantors under this Agreement. In the event of the death of any Guarantor under this Agreement, the obligations of the deceased shall continue in full force and effect as to all indebtedness guaranteed by this Agreement prior to the time when Lending Party shall have received notice, in writing, of termination of this guarantee as set forth above. The release by Lending Party of one or more Guarantors under this Agreement shall not affect the remaining Guarantors under this Agreement, who shall remain fully liable in accordance with the terms of this Agreement.

EXECUTED this ________ Day of ____________________20___.

______________________________________, Guarantor

______________________________________, Guarantor

EXHIBIT K

LIST OF FRANCHISEES

LIST OF FRANCHISEES

DECOR GROUP FRANCHISING LLC
CHRISTMAS DECOR FRANCHISE PROGRAM
AS OF OCTOBER 31, 2024

Alabama

Tracy Butler	Christmas Decor by Butler Services #61020 17753 Wells Road Athens, AL 35613	(256) 508-2950	Operational
Barry Jowers	Christmas Decor by Cut Right Lawns, LLC #91006 1340 Placid Wood Road Auburn, AL 36830	(334) 559-0883	Operational
David Northington	Christmas Decor by Bama Exterminating #111008 2800 Ninth Street Northport, AL 35476	(205) 344-9311	Operational

Alaska

Racquel DeCoeur	Christmas Decor by Alaska Hardy Gardens $270020 5705 Felix Circle Homer, AK 99063	(907) 202-1655	Operational
Scott Gage	Christmas Decor by Gage Tree Service #91011 4561 E Palmer Wasilla Highway Wasilla, AK 99654	(907) 376-8733	Operational

Arizona

Dustin Mast	Christmas Decor by Flag Landscaping Inc. #181001 5470 E Commerce Ave, Space A Flagstaff, AZ 86004	(928) 607-6281	Operational
Rod Glover	Christmas Decor by Bright Ideas II, LLC. #181017 11243 N 68th Street Scottsdale, AZ 85254	(480) 659-8742	Operational

Arkansas

Gary Alber	Christmas Decor by Alber's #141001 8010 Ball Road Fort Smith, AR 72908	(479) 648-8049	Operational
Adam Sartin	Christmas Decor by Ground Crew LLC #171007 3703 S Culberhouse Road, Suite A Jonesboro, AR 72404	(870) 336-2424	Operational

Trent Ragar	Christmas Decor of NW Arkansas #91022 223 E Monroe Avenue Lowell, AR 72745	(479) 927-6350	Operational
Ed Carrington	Christmas Decor by Carrington Electric Company. Inc. #31074 1708 E Harding Avenue Pine Bluff, AR 71601	(870) 534-6993	Operational
California			
L.C. Kaylor	Christmas Decor by Kaylor Landscape, Inc. #21017 18491 Road 232 Porterville, CA 93257	(559) 781-5189	Operational
Colorado			
Christopher Tyler	Christmas Decor by Aspen Lawn & Holiday Lights Inc. #32038 307 Aspen ABC Unit A Aspen, CO 81611	(970) 379-3660	Operational
Judd Bryarly	Christmas Decor by Timberline #41064 8110 Opportunity View Colorado Springs, CO 80939	(719) 638-1000	Operational
Judd Bryarly	Christmas Decor by Timberline #270009 8110 Opportunity View Colorado Springs, CO 80939	(719) 638-1000	Operational
John Swayze	Christmas Decor by SavATree LLC dba Swingle #210008 8585 E Warren Avenue Denver, CO 80231	(303) 337-6200	Operational
David Schultz	Christmas Decor by Azteca Landscape, Inc #22044 2393 County Road 302 Durango, CO 81303	(970) 749-9257	Operational
Jim Waters	Christmas Decor by Jim Waters Property Maintenance #31040 1205 Riverside Drive Glenwood Springs, CO 81601	(970) 618-6529	Operational
Toby Daniels	Christmas Decor of Grand Junction #71029 140 GH Daniels Blvd Gypsum, CO 81637	(970) 524-5010	Operational
Connecticut			
Ron Poulin	Christmas Decor by Picture Perfect Landscape, LLC #31075 208 Pond Circle Glastonbury, CT 06033	(860) 250-5171	Operational

Delaware			
Michael Gray	G.M.G. Inc. T/A Christmas Decor #21060 32657 Seaview Loop Millsboro, DE 19966	(215) 630-4379	Operational
Florida			
Martin DeVincenti	Christmas Decor of Boynton Beach LLC #151008 1726 Corporate Drive Boynton Beach, FL 33426	(561) 630-1777	Operational
Brian Schultz	Christmas Decor by Bring the Bright/South Florida #210003 5401 NW 102nd Avenue, Bay 104 Sunrise, FL 33351	(954) 643-7366	Operational
David Shindler	Christmas Decor Southeast, Inc. #73005 757 SE 17th Street, #333 Fort Lauderdale, FL 33316	(954) 540-7788	Operational
Venus Parton	Christmas Decor of Destin #181009 386 Smith Road Freeport, FL 32439	(850) 226-0053	Operational
Colleen Murphy	Christmas Decor by Southeast Works Inc. #151010 4656-4 Collins Road Jacksonville, FL 32244	(904) 579-4422	Operational
Scott Williams	Christmas Decor by Lawn Master Inc. #21077 3200 E Johnson Avenue Pensacola, FL 32524	(850) 476-1601	Operational
Alex Rodriguez	Christmas Decor by Light Pro #270011 1847 SE Port Saint Lucie Boulevard Port Saint Lucie, FL 34952	(772) 353-0638	Operational
Sandra Merrill	Christmas Decor of Tallahassee #250008 4701 Miccosukee Rd Tallahassee, FL 32308	(850) 510-2193	Operational
Kurt Throckmorton	Christmas Decor by Southern Spray Co. – Windermere, FL #41082 205 Magnolia Street Windermere, FL 34786	(321) 231-1357	Operational
Georgia			
Patrick Wells	Christmas Decor of Augusta #270018 1812 Wilkinson Road Augusta, GA 30248	(706) 860-8260	Operational

Roger Grant	Christmas Decor by Grant Lawn & Decor Services, Inc. #32128 3811 Zingara Road NE Conyers, GA 30012	(770) 760-0973	Operational
Nick Walker	Christmas Decor by Great Estates LLC #191006 14481 Lochridge Boulevard Covington, GA 30014	(770) 787-2929	Operational
Nick Walker	Christmas Decor by Great Estates LLC #240012 14481 Lochridge Boulevard Covington, GA 30014	(770) 787-2929	Operational
Brandon Greenhaw	Christmas Decor of Roswell #200007 3150 Oakcliff Industrial Street Doraville, GA 30340	(404) 414-9932	Operational
Larry Johnson Sr.	Christmas Decor by Accolade Pools & Spas, Inc. #31115 2732 Davenport Road Duluth, GA 30096	(770) 813-8660	Operational
Jason Paulk	Christmas Decor by Paulk Outdoors Inc. #41033 155 McDonough Parkway, Suite 400 McDonough, GA 30253	(678) 583-4455	Operational
Jason Paulk	Christmas Decor by Paulk Outdoors Inc. #270017 155 McDonough Parkway, Suite 400 McDonough, GA 30253	(678) 583-4455	Operational
Alon Willett III	Christmas Decor by Alon Willett Inc. #41091 424 Whitehead Road Sugar Hill, GA 30518	(770) 769-8869	Operational
Chuck LeBar	Christmas Decor by Magnolia Lawn, Inc. #101003 3690 Burnette Park Drive, Suite E Suwanee, GA 30024	(770) 831-6404	Operational
Josh Bloodworth	Christmas Decor by Unique Landscaping #101009 202 Stalnaker Avenue Warner Robins, GA 31088	(478) 929-1997	Operational
Idaho			
Matt Richardson	Christmas Decor by Senske Lawn & Tree - Coeur d'Alene, ID #21108 10269 N Taryne Street Hayden, ID 83835	(208) 762-3156	Operational

Tom Gritzmacher	Christmas Decor by Senske Lawn & Tree - Boise, ID #41016 763 N Ralstin Street Meridian, ID 83642	(208) 887-7900	Operational
Jerry Merrill	Christmas Decor by Merrill Quality Landscapes, Inc. #11021 205 S Fifth W Rexburg, ID 83440	(208) 356-7508	Operational
Blaine Pope	Christmas Decor by Idaho Scapes Inc. #32122 548 Sun Terrace Drive Twin Falls, ID 83301	(208) 308-7511	Operational
Illinois			
Josh Robertson	Christmas Decor by Green Acres Lawn Care & Landscaping Group, Inc. #181006 6505 Logan Avenue Belvidere, IL 61008	(815) 703-0873	Operational
David Jones	Christmas Decor by Kingdom Lawn and Lighting L.L.C. #41048 4204 N Rising Road Champaign, IL 61822-9511	(217) 202-2630	Operational
Dennis Marunde	Christmas Decor by Arvidson & Sons, Inc. #121002 3209 S IL Route 31 Crystal Lake, IL 60012	(815) 459-0660	Operational
Todd Selin	Christmas Decor by Plandscape, Inc. #11002 707 E North Street, #2 Elburn, IL 60119	(630) 365-2558	Operational
Ken Noll	Christmas Decor by The Garden Kingdom #101019 3711 S State Route 157 Glen Carbon, IL 62034	(618) 567-9186	Operational
Gary Fouts	Christmas Decor by Principle Lighting, Inc. #31048 202 Ford Drive, Suite B New Lenox, IL 60451	(815) 462-1420	Operational
Todd Crow	Turf Management LLC dba Christmas Decor by Golf Green #200013 220 Koch Street Pekin, IL 61554	(309) 347-4798	Operational

Indiana			
Bret A. Goebel	Christmas Decor by Precision Lighting, Inc. #31080 7802 Briarwood Drive Evansville, IN 47715	(812) 305-4092	Operational
Trent Schrock	Christmas Decor by Paragon Landscape #181002 16524 Antwerp Road Harlan, IN 46743	(260) 627-8342	Operational
Clay Putnam	Christmas Decor by ServiScape LLC #191007 711 Highway 212 Michigan City, IN 46361	(219) 872-9412	Operational
Cory Owens	Christmas Decor by Second Nature Landscapes #101013 9784 Barth Drive Zionsville, IN 46077	(317) 557-5745	Operational
Iowa			
Kevin Nagle	Christmas Decor by All American Turf Beauty, Inc. #131002 7217 NW Boulevard, Unit 2, Suite A Davenport, IA 52806	(515) 996-2261	Operational
Chris Stangl	Christmas Decor by TK LLC - Council Bluffs, IA #32102 1503 Indian Hills Road Council Bluffs, IA 51503	(402) 740-8278	Operational
Dan Peterson	Christmas Decor by All American Turf Beauty, Inc. #11020 53918 170th Street A Gilbert, IA 50105	(515) 232-7614	Operational
Kevin Johnson	Christmas Decor by All American Turf Beauty, Inc. #11022 311 De Soto Road Van Meter, IA 50261	(515) 996-2261	Operational
Kevin Johnson	Christmas Decor by All American Turf Beauty, Inc. #21095 311 De Soto Road Van Meter, IA 50261	(515) 996-2261	Operational
Derek Mineart	Christmas Decor by All American Turf Beauty, Inc. #11021 2869 Burton Ave Waterloo, IA 50703	(319) 291-2020	Operational

Kansas			
Olin Unruh	Christmas Decor by by Wetlands Irrigation & Turf, L.L.C. #230013 2095 Industrial Drive Galva, KS 67443	(620) 242-4607	Operational
Chris Stangl	Christmas Decor by TK LLC – Olathe, KS #41084 11936 W 119th Street #233 Overland Park, KS 66213	(913) 238-7179	Operational
Chris Troxel	Christmas Decor by The Grounds Guys of Olathe #181023 7800 W 2300 Road Parker, KS 66072	(913) 259-2741	Operational
David Hill	Christmas Decor by Hillco L.L.C. #111012 725 E Tenth Street N Wichita, KS 67214	(316) 729-6784	Operational
Kentucky			
Karralea List	Christmas Decor of NKY #41009 2942 Park Street, Suite A Burlington, KY 41005	(859) 393-2937	Operational
Tim Baynum	Christmas Decor by Trimmers Property Maintenance #42032 12881 Wesley Chapel Road California, KY 41007	(859) 462-6677	Operational
Louisiana			
Michael Pennington	Christmas Decor by Pennington Lawn & Landscape LLC #191004 233 Rodney Drive Baton Rouge, LA 70808	(225) 761-0008	Operational
Tony Gugliuzza	Christmas Decor by Terminix of New Orleans #161005 2400 N Arnoult Road Metairie, LA 70001	(504) 247-5141	Operational
Jeff Roberts	Roberts Christmas Decor, LLC #32064 15582 W Murray Road Ponchatoula, LA 70454	(985) 969-6554	Operational
Kevin Bonin	Christmas Decor by Bonin's Lawn Service, Inc. #41087 110 Heath Drive Scott, LA 70583	(337) 234-8307	Operational

C. J. Jones	Christmas Decor of Shreveport #240011 601 Mt. Zion Road Shreveport, LA 71106	(318) 686-4103	Operational

Maryland

Nick Leinbach	Christmas Decor by Watermark LLC #31101 10768 Tucker Street Beltsville, MD 20705	(301) 210-4100	Operational
Rob Schmidt	Christmas Decor of Harford & Baltimore Counties #151004 302 Martindale Lane Forest Hill, MD 21050	(410) 493-8455	Operational
Steve Braun	Christmas Decor by Backyard Creations Inc. #230019 4987 Winchester Boulevard, Suite 4 Frederick, MD 21703	(301) 748-7449	Operational
Ted Carter	Christmas Decor by Pinehurst Landscape Co. Inc. #250016 4809 Long Green Road Glen Arm, MD 21057	(410) 592-6766	Operational
William Phillips	Christmas Decor of SoMD #230015 22020 Philip Drive Leonardtown, MD 20650	(301) 904-2167	Operational
Brad Kuklinski	Christmas Decor by Greenstreet Gardens #230006 391 W Bay Front Road Lothian, MD 20711	(410) 212-1067	Operational
Ronald Stewart	Christmas Decor by Stewart Lawn & Landscape #71004 5036 Solomons Island Road Lothian, MD 20711	(410) 266-8586	Operational
Roy Good	Christmas Decor by Hav-A-Lawn and Garden, Inc. #41072 9419 Myersville Road Myersville, MD 21773	(301) 748-3256	Operational
Laurie Flaugher	Christmas Decor by L & B, Inc. #61004 61 Old York Court North East, MD 21901	(443) 674-8422	Operational

Massachusetts

Bill Ferris	Christmas Decor by W.H. Ferris Landscaping L.L.C. #121000 5 River Park Terrace Andover, MA 01810	(978) 475-3375	Operational

Bill Ferris	Christmas Decor by W.H. Ferris Landscaping L.L.C. #250007 5 River Park Terrace Andover, MA 01810	(978) 475-3375	Operational
Michael Rose	Christmas Decor by Suburban Lawn Sprinklers #111003 12R Waverly Street Framingham, MA 01702	(508) 872-2727	Operational
Dave Rykbost	Christmas Decor by Dave’s Landscape Management Company #121003 32 Marlboro Street Hudson, MA 01749	(978) 857-1246	Operational
Dick Ficco	Christmas Decor by Curb Infusion #31039 201 Oak Street, Suite #3 Pembroke, MA 02359	(508) 801-8819	Operational
Dick Ficco	Christmas Decor by Curb Infusion #240006 201 Oak Street, Suite #3 Pembroke, MA 02359	(508) 801-8819	Operational
Dick Ficco	Christmas Decor by Curb Infusion #270008 201 Oak Street, Suite #3 Pembroke, MA 02359	(508) 801-8819	Operational
Arnold A. Arsenault Jr.	Christmas Decor by A. Arsenault & Sons, Inc. #21005 16 W Main Street Spencer, MA 01562	(508) 885-5589	Operational
Michigan			
Keith Sergott	Christmas Decor of Ann Arbor #270010 4454 Concourse Drive, Suite B Ann Arbor, MI 48108	(810) 931-8255	Operational
Dave DeVries	Christmas Decor by Lakeshore Lighting #61005 3340 Oak Hollow Drive SE Grand Rapids, MI 49546	(616) 890-3194	Operational
Bill Pringle	Christmas Decor by DeVries Landscape Management, Inc. #121005 6439 Center Industrial Drive Jenison, MI 49428	(616) 669-0500	Operational
Bernard P. Naylor	Christmas Decor by Naylor Landscape Management #31094 1300 S Eighth Street Kalamazoo, MI 49009	(269) 375-0084	Operational

Gerald J. Grossi	Christmas Decor by Arborlawn, Inc./Spartan Irrigation #21074 1048 Pierpont, Suite 2 Lansing, MI 48911	(517) 323-0942	Operational
Marc Dutton	Christmas Decor by Marc Dutton Irrigation, Inc. #51003 4720 Hatchery Road Waterford, MI 48329	(248) 674-4470	Operational
Aaron Young	Christmas Decor by Eradico Services, Inc. #21079 29261 Wall Street Wixom, MI 48393	(248) 477-4880	Operational
Minnesota			
Deanna Vernier	Christmas Decor by Best Irrigation L.L.C. #31107 9531 Foley Boulevard NW Coon Rapids, MN 55433	(763) 784-8085	Operational
Deanna Vernier	Christmas Decor by Best Irrigation L.L.C. #230024 9531 Foley Boulevard NW Coon Rapids, MN 55433	(763) 784-8085	Operational
Chuck Holscher	Christmas Decor of the Twin Cities LLC #51004 14505 21st Avenue N, Suite 202 Plymouth, MN 55447	(763) 694-0295	Operational
Chuck Holscher	Christmas Decor of the Twin Cities LLC #260002 14505 21st Avenue N, Suite 202 Plymouth, MN 55447	(763) 694-0295	Operational
Mark Fenlason	Christmas Decor of Duluth #200001 7880 Highway 2 Saginaw, MN 55779	(218) 340-5389	Operational
Michael Hornung	Christmas Decor by Valley Green Companies #31090 1325 Scenic Drive NW Sauk Rapids, MN 56379	(320) 259-5959	Operational
Mississippi			
Jason Chapman	Christmas Decor of Central Mississippi LLC #161012 210 Iron Horse Station Brandon, MS 39042	(601) 706-9349	Operational
Clayton Hahn	Christmas Decor by Golden Triangle Pest Control L.L.C. #250011 216 5th St S, Suite 2 Columbus, MS 39701	(205) 394-2076	Operational

Steve Jordan	Christmas Decor by Turf Masters Lawn Care #181015 3210 Ingalls Avenue Pascagoula, MS 39581	(228) 475-3665	Operational
Missouri			
Matt Perry	Christmas Decor of Greater Kansas City #270005 1401 Swift Street North Kansas City, MO 64116	(816) 897-0502	Operational
Gary Bugajski	Saint Louis Christmas Decor #151000 1866 Summitview Drive Saint Charles, MO 63303	(314) 503-6508	Operational
Montana			
Andrew Blanchford	Christmas Decor by Blanchford Landscape Group #161011 6602 Gooch Hill Road Bozeman, MT 59718	(406) 587-3057	Operational
John Swayze	Christmas Decor by SavATree, L.L.C. #181025 5061 Love Lane Bozeman, MT 59718	(406) 522-8733	Operational
Kevin Ferguson	Christmas Decor of Great Falls #72009 4242 N Star Boulevard, Unit 4 Great Falls, MT 59405	(406) 761-3967	Operational
Brad Culver	Christmas Decor by Nitro Green of Helena #82001 1645 A. Street Helena, MT 59601	(406) 443-5088	Operational
Steve Rasmussen	Christmas Decor by Northern Lawncare #32028 395 Mountain Vista Way Kalispell, MT 59901	(406) 253-2189	Operational
Nebraska			
Todd Himmelberg	Christmas Decor by Country Design Lawn & Landscape LLC #73002 141 N Calvert Street Lawrence, NE 68957	(402) 756-7255	Operational
David Hastreiter	Christmas Decor by Festive Expressions Inc. #71011 6040 Newton Street Lincoln, NE 68506	(402) 421-2204	Operational

Nevada			
Miguel Macias	Christmas Decor by America's Swimming Pool Co. #270004 9720 S Virginia Street Reno, NV 89511	(775) 451-3947	Operational
New Hampshire			
Dan Bernard	Christmas Decor of Southern NH #240003 44 Cedar Crest Lane Auburn, NH 03032	(603) 391-9487	Operational
Erik Hanson	Christmas Decor by Outdoor Lighting Designs #210002 533 Central Road Rye, NH 03870	(207) 510-4895	Operational
New Jersey			
Eddie Anzalone	Christmas Decor of Rutherford L.L.C. #91000 234 Fernwood Drive Bayville, NJ 08721	(201) 966-3678	Operational
Eddie Anzalone	Christmas Decor of Rutherford L.L.C. #230003 234 Fernwood Drive Bayville, NJ 08721	(201) 966-3678	Operational
James B. Mink	Christmas Decor by Precision Sprinklers & Lighting #31156 45 Carey Avenue, Suite 104A Butler, NJ 07405	(973) 492-2100	Operational
Danny Smith	Christmas Decor by Smitty's Landscaping #21111 25 Canfield Road Cedar Grove, NJ 07009	(973) 785-8483	Operational
Danny Smith	Christmas Decor by Smitty's Landscaping #181000 25 Canfield Road Cedar Grove, NJ 07009	(973) 785-8483	Operational
Danny Smith	Christmas Decor by Smitty's Landscaping #200008 25 Canfield Road Cedar Grove, NJ 07009	(973) 785-8483	Operational
Danny Smith	Christmas Decor by Smitty's Landscaping #220003 25 Canfield Road Cedar Grove, NJ 07009	(973) 785-8483	Operational

Danny Smith	Christmas Decor by Smitty's Landscaping #270001 25 Canfield Road Cedar Grove, NJ 07009	(973) 785-8483	Operational
Danny Smith	Christmas Decor by Smitty's Landscaping #270002 25 Canfield Road Cedar Grove, NJ 07009	(973) 785-8483	Operational
Danny Smith	Christmas Decor by Smitty's Landscaping #270013 25 Canfield Road Cedar Grove, NJ 07009	(973) 785-8483	Operational
Shawn Ferrie	Christmas Decor by Fresh Cut Lawn Care, Inc. #21084 6701 Delilah Road Egg Harbor Township, NJ 08234	(609) 653-2197	Operational
Bill Cowley	Christmas Decor by Cowley's #61025 1145 Route 33 Farmingdale, NJ 07727	(732) 859-8072	Operational
James Robyn	Christmas Decor by Rin Robyn Pools #230014 21 US Hwy 46 Hackettstown, NJ 07840	(908) 509-8040	Operational
Sint Van Solkema	Christmas Decor by Sint's Landscaping #21090 822 Rockport Road Hackettstown, NJ 07840	(908) 966-2930	Operational
James Ebbinghousen	Christmas Decor by Ebby's Landscaping #41062 101 E Main Street, Building #10 Little Falls, NJ 07424	(973) 725-8638	Operational
Richard Johns	Christmas Decor by Triple R Lighting LLC #31088 398 Lincoln Blvd, Suite C1 Middlesex, NJ 08846	(908) 303-0081	Operational
Matt Cannarozzi	Christmas Decor by Heart & Soules LLC #171004 10 W Elro Drive Oak Ridge, NJ 07438	(973) 219-5805	Operational
Andre Massimi	Christmas Decor by A & M Landscaping #21092 5 Preakness Place Sewell, NJ 08080	(609) 605-4342	Operational

Chris Risden	Christmas Decor by RH L.L.C. #111000 1771 Highway 34, Unit 1 Wall, NJ 07727	(732) 774-7873	Operational
Tim Smeltz	Christmas Decor by American Sealcoating #91018 5538 Hamilton South Sciota, PA 18354 (territory is in New Jersey)	(908) 333-7423	Operational
New Mexico			
Kenny Grebe	Christmas Decor by Red Shovel Landscape LLC #121001 9100 Second Street NW Albuquerque, NM 87114	(505) 243-2277	Operational
New York			
Marcus Pitts	Christmas Decor by Looks Great Services, Inc. #31114 140 W Tenth Street Huntington Station, NY 11746	(484) 464-1950	Operational
Dan Deyle	Christmas Decor by Michael Grimm Landscape & Tree Service #230016 4195 Lafayette Rd Jamesville, NY 13078	(315) 633-6029	Operational
Dan Deyle	Christmas Decor by Michael Grimm Landscape & Tree Service #250004 4195 Lafayette Rd Jamesville, NY 13078	(315) 633-6029	Operational
Sebastian Bulfamante	Christmas Decor by Domenick Bulfamante & Sons #270016 94 First Street New Rochelle, NY 10801	(914) 636-8351	Operational
Patrick Carr	Christmas Decor of the Hudson Valley #240008 101 Main Street Pine Bush, NY 12566	(845) 699-5932	Operational
Craig den Hartog	Christmas Decor by Emerald Magic Lawn Care, Inc. #41004 12 Woods Drive Port Jefferson Station, NY 11776	(631) 286-4600	Operational
Scott Benson	Christmas Decor by Benson Enterprises #260003 1986 Bennett Road Victor, NY 14564	(585) 248-0452	Operational
Kimberly Cassidy	Christmas Decor by Neave Decor #31097 72 Airport Drive Wappingers Falls, NY 12590	(845) 463-0592	Operational

North Carolina			
Doug McKeown	Christmas Decor North Charlotte #200009 11521 Reames Road, Suite B Charlotte, NC 28269	(980) 495-5799	Operational
Ryan Goodman	Christmas Decor by RG Pack Concrete #280001 8480 Honeycutt Road, Suite 200 Raleigh, NC 27615	(919) 561-0855	Operational
Melissa Wilson	Christmas Decor by Coastal Carolina Lighting L.L.C. #240001 8964 Landing Three Court SW Sunset Beach, NC 28468	(910) 712-1695	Operational
North Dakota			
Rod Glover	Christmas Decor by Bright Ideas, Inc. #32031 3223 Main Avenue Fargo, ND 58103	(701) 235-1075	Operational
Ohio			
Jerry Steiner	Christmas Decor by Steiner's Lawn & Landscape #91007 20 East Charlotte Avenue Cincinnati, OH 45215	(513) 200-5381	Operational
John Gilbride	Christmas Decor by Premier Landscaping LLC #171008 3495 W 140th Street Cleveland, OH 44111	(216) 228-6916	Operational
Chad Maag	Christmas Decor by Green Ideas Landscape Management #41071 1020 Cosmos Street NW Hartville, OH 44632	(330) 802-5802	Operational
Jim Schill	Christmas Decor of Powell #21073 2391 Likens Road Marion, OH 43302	(440) 327-3030	Operational
Ben Johnson	Christmas Decor by Valley Lighting Group #161004 621 S Union Street Troy, OH 45373	(937) 332-1455	Operational
Ed Holcomb	Christmas Decor by Turf-Care Inc. #91023 8784 Cincinnati Columbus Road, Unit B West Chester, OH 45069	(513) 489-8873	Operational

Oklahoma			
Tommy Eaton	Christmas Decor by Seasonal Scapes #280003 317 Colton Way Ada, OK 74820	(405) 482-9671	Operational
Tom Gillespie	Christmas Decor by Complete Lawn Maintenance #230002 812 S Eighth Street Broken Arrow, OK 74012	(918) 605-4646	Operational
Katie Prout	Christmas Decor of N OKC #161001 12620 Old Country Road Edmond, OK 73013	(830) 370-9366	Operational
David VanBuskirk	Christmas Decor by Rainmaker Sprinkler Co. Inc. #73000 2100 Lake Road Ponca City, OK 74604	(580) 762-3711	Operational
Oregon			
Isaac Kearns	Christmas Decor by C and D Landscape Co. #91001 16800 NE McDougall Road Dayton, OR 97114	(503) 864-3551	Operational
Isaac Kearns	Christmas Decor by C and D Landscape Co. #220009 16800 NE McDougall Road Dayton, OR 97114	(503) 864-3551	Operational
Isaac Kearns	Christmas Decor by C and D Landscape Co. #250003 16800 NE McDougall Road Dayton, OR 97114	(503) 864-3551	Operational
Darby Ramos	Mid Valley Christmas Decor #270003 1061 Turtledove Loop Lebanon, OR 97355	(503) 583-5318	Operational
Bryce Anderson	Deschutes County Christmas Decor #250005 2530 NW Cedar Ave Redmond, OR 97756	(503) 857-7123	Operational
Pennsylvania			
Michael Reade	Christmas Decor by Reade Lighting Company #171002 31 Brush Drive East Stroudsburg, PA 18302	(570) 242-5867	Operational

Dave Marino	Christmas Decor by Dahlkemper Landscape Architects & Contractors #21029 1650 Norcross Road Erie, PA 16510	(814) 825-3253	Operational
Nikos Phelps	Christmas Decor of Harrisburg #101012 6780 Parkway E Harrisburg, PA 17112	(717) 545-4321	Operational
Steven Jabco	Christmas Decor by Jabco's Custom Lawn Care LLC #270014 221 Sunset Drive Howard, PA 16841	(814) 380-3473	Operational
Jason Shapiro	Christmas Decor by DKC Landscaping #230008 2308 Big Oak Road Langhorne, PA 19047	(215) 860-5066	Operational
Jason Shapiro	Christmas Decor by DKC Landscaping #250002 2308 Big Oak Road Langhorne, PA 19047	(215) 860-5066	Operational
Jason Shapiro	Christmas Decor by DKC Landscaping #260004 2308 Big Oak Road Langhorne, PA 19047	(215) 860-5066	Operational
Ken Divers	Christmas Decor by Pennsylvania Lawn and Landscape LLC #21064 3439 Weidasville Road Orefield, PA 18069	(610) 395-9821	Operational
Ken Divers	Christmas Decor by Pennsylvania Lawn and Landscape LLC #61011 3439 Weidasville Road Orefield, PA 18069	(610) 395-9821	Operational
Ken Divers	Christmas Decor by Pennsylvania Lawn and Landscape LLC #61012 3439 Weidasville Road Orefield, PA 18069	(610) 395-9821	Operational
Robert Bickel	Christmas Decor by L.A. Verruni Landscaping #21050 1357 Farmington Avenue Pottstown, PA 19464	(610) 327-2622	Operational
Neil Brenneman	Christmas Decor of Lancaster #230009 835 Jefferson Lane Red Lion, PA 17356	(717) 318-1941	Operational

Chris Miller	Christmas Decor of Pittsburgh #270019 1895 Ridge Road South Park, PA 15129	(412) 401-8108	Operational
Vincent Del Vacchio	Christmas Decor by Del Vacchio Landscapes, Inc. #31145 922 N Chester Road West Chester, PA 19380	(610) 692-2422	Operational
Puerto Rico			
Erick Munro	Christmas Decor of Puerto Rico #270012 70 Calle San Martin Guaynabo, PR 00968	(787) 645-4445	Operational
Rhode Island			
Mike Ventura	Christmas Decor by SeaScape #71007 1610 Flat River Road Coventry, RI 02816	(401) 641-8856	Operational
South Carolina			
James Parker	Christmas Decor by Elves #41102 6245 Highway 17 N Awendaw, SC 29429	(843) 928-3830	Operational
Stephanie Hoffer	Christmas Decor by Precision L.L.C. #250011 1614 Sauer Farm Road Honea Path, SC 29654	(864) 525-2991	Operational
Greg Shurburtt	Christmas Decor by The Shurburtt Group, Inc. #41024 401 Landers Road Spartanburg, SC 29303	(864) 541-0700	Operational
Tennessee			
Wayne Tritt	Christmas Decor by All Occasion Lighting #42012 4958 Highway 70 E Brownsville, TN 38012	(731) 772-1448	Operational
Mary Ellen Nichols	Christmas Decor of Nashville #230020 123 SE Parkway Court, Suite 170 Franklin, TN 37064	(865) 769-0039	Operational
Jennifer Mowdy	Christmas Decor by Luminescence LLC #131001 115 Heritage Place Drive Jonesborough, TN 37659	(423) 612-0747	Operational
Mary Ellen Nichols	Christmas Decor Plus More L.L.C. #230010 627 Baum Drive Knoxville, TN 37919	(865) 769-0039	Operational

Fain Dalton	Christmas Decor by Southern Spray Co. – Memphis #11017 3765 Homewood Road Memphis, TN 38118	(901) 363-4797	Operational
Texas			
Matt Robinson	Christmas Decor by Lone Star Electric #141003 301 Locust St Abilene, TX 79602	(325) 692-1266	Operational
Josh Wright	Christmas Decor by Bring the Bright/Austin, LLC #200006 9603 Brown Lane, Bldg C-2 Austin, TX 78754	(404) 229-9889	Operational
Jim Ketchum	Christmas Decor by DFW Holiday Kings Inc. #240009 12444 Rendon Road Burleson, TX 76028	(817) 797-5097	Operational
Wayne Carden	Christmas Decor by Showcase #101004 326 NAS Drive Corpus Christi, TX 78418	(361) 779-5055	Operational
Andrew Bode	Christmas Decor by Bliss Decor L.L.C. #240002 4008 Commerce Dallas, TX 75226	(214) 636-6789	Operational
Andrew Bode	Christmas Decor by Bliss Decor L.L.C. #250014 4008 Commerce Dallas, TX 75226	(214) 636-6789	Operational
Ben Carruthers	Christmas Decor by Carruthers #250010 11593 Goodnight Ln Dallas, TX 75229	(972) 620-9560	Operational
Marilyn Askins	Christmas Decor of South Denton #81000 208 Wilson Way Denton, TX 76207	(214) 500-6480	Operational
Josh Truitt	Christmas Decor by JET Services #191001 222 Wheeler St Eustace, TX 75124	(469) 323-2348	Operational
Felix Garcia	Christmas Decor by Elite Lighting Concepts #250013 4128 Briarcreek Dr Fort Worth, TX 76244	(214) 802-8881	Operational
Sean Ditch	Christmas Decor by SafeHaven Services L.L.C. #250009 2609 National Circle Garland, TX 75041	(214) 340-6969	Operational

Roger Hammett	Christmas Decor by H & S Lawn & Landscape #151007 10059 U.S. Highway 271 S Gladewater, TX 75647	(903) 238-7152	Operational
Josh Truitt	Christmas Decor by JET Services #210006 329 S Gun Barrel Lane Gun Barrel City, TX 75147	(469) 712-4499	Operational
Josh Truitt	Christmas Decor by JET Services #230007 329 S Gun Barrel Lane Gun Barrel City, TX 75147	(469) 712-4499	Operational
Jeremy Tarver	Christmas Decor by Halo Outdoor #181016 11648 FM 1560 N, Lot 1 Helotes, TX 78023	(210) 789-6111	Operational
Ricky Lloyd	Christmas Decor by LoneStar Light Magic LLC 1302 W Park Avenue Hereford, TX 79045	(806) 364-3300	Operational
Ron Bruner	Christmas Decor by Bring the Bright/Houston #210004 9050 Long Point Road Houston, TX 77055	(281) 690-0125	Operational
Tammy Sheffield	Christmas Decor of The Hill Country #42086 191 Kerrville Country Drive Kerrville, TX 78028	(830) 377-2276	Operational
Dusty Thrash	Christmas Decor of Lubbock #230001 6102 102nd Place Lubbock, TX 79424	(806) 786-8708	Operational
Jackson Smith	Christmas Decor by Smith's Lighting #280002 511 Newton Road Marshall, TX 75672	(318) 344-7190	Operational
Troy Compton	Christmas Decor by Cowboy Christmas LLC #220005 1713 Orchid Avenue Mesquite, TX 75149	(469) 222-7134	Operational
Russell Potter	Christmas Decor by Turf Specialties, Inc. #11034 2427 E Highway 80 Midland, TX 79706	(432) 684-7166	Operational
Travis Wheeler	Christmas Decor by Rain or Shine Landscaping LLC #161009 574 Northgate Circle	(210) 896-8604	Operational

	New Braunfels, TX 78130		
Benjamin Allen	Christmas Decor by Lawn Tech Corporation #230023 1417 Capital Avenue Plano, TX 75074	(972) 346-2696	Operational
Fred Huffman	Christmas Decor by GGA - Temple #61023 1904 Franklin Ave, Suite 100 Waco, TX 76701	(254) 666-6242	Operational
Fred Huffman	Christmas Decor by GGA - Waco #31138 1904 Franklin Ave, Suite 100 Waco, TX 76701	(254) 666-6242	Operational
Fred Huffman	Christmas Decor by GGA – Weatherford #250006 1904 Franklin Ave, Suite 100 Waco, TX 76701	(254) 666-6242	Operational
Jaime Caballero	Christmas Decor by All Around Bounce #230021 36655 Cochran Road Waller, TX 77484	(713) 447-8899	Operational
Jonathan Davis	Christmas Decor by Thunderball Enterprises #181013 290 Bolton Circle West, TX 76691	(254) 855-7496	Operational
Utah			
Freeborn DeMille	Christmas Decor by Green and DeMille Enterprises #111005 506 N 200 W Cedar City, UT 84721	(435) 590-2997	Operational
Craig Mitton	Christmas Decor by Ben Lomond Landscape Maintenance #41036 3677 N Highway 126, Suite D Farr West, UT 84404	(801) 786-8600	Operational
Debbie MacDuff	Christmas Decor by Reliable Tree Care, Inc. #11031 6022 W 1186 N Highland, UT 84003	(801) 262-7996	Operational
Chad Jones	Christmas Decor by Chad's Plumbing Supply #21000 1435 Wall Avenue Ogden, UT 84404	(801) 721-4495	Operational
Tom Rowley	Christmas Decor by Senske Lawn & Tree Care – Utah #81004 4036 S 500 W	(509) 374-5023	Operational

	Salt Lake City, UT 84123		
Chris Weaver	Christmas Decor by Senske Lawn & Tree Care #220010 441 E 1750 N, Unit D Vineyard, UT 84057	(801) 426-6353	Operational
Vermont			
Lisa Swett	Christmas Decor by Professional Decorators of Vermont #31081 960 E Pittsford Road Rutland, VT 05701	(802) 345-4143	Operational
Virginia			
Victor Tirondola	Christmas Decor by Manor Works Painting #151001 22727 Tail Race Road Aldie, VA 20105	(973) 775-2586	Operational
Troy Taylor	Coastal Virginia Christmas Decor #181012 709 Burrow Avenue Chesapeake, VA 23324	(757) 286-4689	Operational
Adam Anderson	Christmas Decor of Harrisonburg #230012 785 Acorn Drive Harrisonburg, VA 22802	(540) 491-2690	Operational
Sam Zogran-Werness	Christmas Decor by Dominion Light Works #200012 1394 Manakin Road Manakin Sabot, VA 23103	(804) 441-4790	Operational
Johnathan Peyton	Christmas Decor by America Energy Solution L.L.C. #270006 7305 Hancock Village Drive, Suite 203 Midlothian, VA 23112	(813) 412-9941	Operational
Doug McKeown	Christmas Decor Roanoke Virginia #191012 2314 Patterson Avenue SW Roanoke, VA 24016	(540) 525-6856	Operational
David Dolak	Christmas Decor of NoVA, Inc. #210009 1019 Westwood Drive Vienna, VA 22180	(570) 436-8787	Operational

Washington

Chris Weaver	Christmas Decor by Senske Lawn & Tree Care – Kennewick #21031 400 N Quay Street Kennewick, WA 99336	(509) 374-5023	Operational
Doug Warner	Christmas Decor by Senske Lawn & Tree Care - Spokane #21030 7115 E Cataldo Spokane Valley, WA 99212	(509) 535-3591	Operational
Joe Aills	Christmas Decor by Senske Lawn & Tree Care -Yakima #21032 2909 River Road Yakima, WA 98902	(509) 736-0754	Operational

West Virginia

Mike Conley	Christmas Decor by K and M Service Company, Inc. #32009 1580 Joy Lane Bridgeport, WV 26330	(304) 842-6157	Operational
Dennis Crede	Christmas Decor by Crede Lawn Service #31007 5897 Teays Valley Road Scott Depot, WV 25560	(304) 757-2567	Operational

Wisconsin

Carianne King	Christmas Decor by Pro X Lawncare #31012 2230 W Pershing Street Appleton, WI 54914	(920) 277-7028	Operational
Wayne Bollinger	Christmas Decor by Green Oasis Lighting Inc. #101014 1403 122nd Street Chippewa Falls, WI 54729	(715) 426-2007	Operational
Joe Bilskemper	Christmas Decor by Lawn Care Specialists, Inc. #21022 3016 Airport Road LaCrosse, WI 54603	(608) 781-3217	Operational
Justin Lex	Christmas Decor by Swimming Pool Services, Inc. #161002 W220 N1563 Jericho Court Waukesha, WI 53186	(262) 544-5500	Operational

Wyoming

Don Schwartzkopf	Christmas Decor of Casper #22024 2436 E Tenth Street Casper, WY 82609	(307) 234-5474	Operational
Don Ellis	Christmas Decor by Ellis Concrete #230011 65 Sandy Court Lander, WY 82520	(307) 349-1788	Operational

FRANCHISEES WHO HAVE LEFT THE SYSTEM IN THE LAST FISCAL YEAR OR WHO HAVE FAILED TO COMMUNICATE WITH FRANCHISOR WITHIN 10 WEEKS OF THE DATE OF ISSUANCE OF DECOR GROUP FRANCHISING LLC– CHRISTMAS DECOR FRANCHISE PROGRAM

Alaska			
Daniel Stanislaw	Dutch Boy Landscaping #121006 Homer, AK 99603	(907) 235-7140	Transferred
California			
Jerry Zarour	Zanga Zanga Inc. #151002 Whittier, CA 90604	(562) 242-8953	Non-Renew
Florida			
Wesley Knox	Amplified Lighting L.L.C. #230017 Belleair Bluffs, FL 33770	(727) 612-2199	Terminated
Georgia			
Kyle Flanagan	Christmas Decor of Augusta #171005 Augusta, GA 30909	(706) 201-4643	Transferred
North Carolina			
Melvin Ingram	Christmas Decor by Elite Design L.L.C. #250001 Raleigh, NC 27610	(904) 386-8948	Terminated
Pennsylvania			
Justin Rushin	Christmas Decor of Pittsburgh #181003 Cheswick, PA 15024	(724) 275-9400	Transferred
Texas			
Daryl Seth	Christmas Decor of Amarillo #21071 Amarillo, TX 79106	(806) 290-3893	Non-Renew
Washington			
Wes Borror	Purcor Pest Solutions #61018 Puyallup, WA 98372	(253) 845-1818	Non-Renew

Note:

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

EXHIBIT L

LIST OF STATE ADMINISTRATORS; AGENTS FOR SERVICE OF PROCESS

EXHIBIT L

LIST OF STATE ADMINISTRATORS; AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, 14th Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT M

STATE EFFECTIVE DATES PAGE AND RECEIPT PAGES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 below:

State	**Effective Date**
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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

If Decor Group 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, or sooner if required by applicable state law. Applicable state law in (a) Connecticut and Michigan, require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale and (b) Iowa, Maine, New York and Rhode Island require us to provide you the disclosure document the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Decor Group Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Attachment A to this disclosure document). We authorize the agents listed in Attachment B to receive service of process for us.

The name, principal business address, and telephone number of each franchise seller offering the franchise follow:

Name	Principal Business Address	Telephone Number
John Ropas	8610 Kenosha Lubbock, TX 79424	806-445-7221
Josh Truitt	2301 Crown Court Irving, TX 75038	806-722-1225
Brandon Stephens	301 SE Loop 289 Lubbock TX 79404	806-283-9364

I received a Decor Group Franchising LLC disclosure document with an FTC issuance date of December 19, 2024. (See the state effective date summary page for state effective dates.) The disclosure document included the following Exhibits and Attachments:

Exhibit A	Franchise Agreement
Exhibit B	Option Agreement
Exhibit C	State Addenda
Exhibit D	Operations Manual Table of Contents
Exhibit E	Financial Statements
Exhibit F	End User License Agreement
Exhibit G	Form of General Release
Exhibit H	ACH Authorization Agreement
Exhibit I	Credit Card Authorization Agreement
Exhibit J	Promissory Note, Security Agreement, Guaranty Agreement
Exhibit K	List of Franchisees
Exhibit L	List of State Administrators, Agents for Service of Process
Exhibit M	State Effective Dates Page and Receipt Pages

Dated: ______________________

____
Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

____
Printed Name

of ____
(a __________________________________ Corporation)
(a __________________________________ Partnership)
(a _______________________ Limited Liability Company)

[Sign and return this page]

RECEIPT

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Exhibit K	List of Franchisees
Exhibit L	List of State Administrators, Agents for Service of Process
Exhibit M	State Effective Dates Page and Receipt Pages

Dated: ______________________

____
Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

____
Printed Name

of ____
(a ____ Corporation)
(a ____ Partnership)
(a ______________________________ Limited Liability Company)

[Keep this page for your records]