FRANCHISE DISCLOSURE DOCUMENT

REAL DEALS, INC.

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REAL DEALS, INC.
an Idaho corporation
1411 E. 4400 N.
Buhl, Idaho 83316
(208) 543-6300
nate@realdeals.net
www.realdeals.net

As a franchisee, you will operate a retail Shoppe offering home décor, furniture, home accessory, jewelry, clothing, personal accessories, food and beverage items, and other related merchandise and products.

The total investment necessary to begin operation of a Real Deals on Home Décor® franchise is ~~$144,500~~141,350 to ~~$260,500~~265,400. This includes the ~~$35~~30,500 to ~~$37~~32,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Nate Kelsey at 1411 E. 4400 N. Buhl, Idaho 83316, nate@realdeals.net, and (208) 595-1148.

The terms of your contract will govern your franchise relationship. Don't rely on this disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this document to an advisor, like an attorney or an accountant.

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

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

Issuance date: ~~June 20, 2024, as amended November 13, 2024~~April 28, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit "C."
How much will I need to invest?	Items 5 and 6 list fees that 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 "B" 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 Real Deals on Home Décor® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Real Deal on Home Décor® franchisee?	Item 20 or Exhibit "C" lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Minimum Sales Requirement.** You must maintain minimum sales performance levels. If you fail to do so, you could lose your exclusive territory, or the franchisor could terminate your agreement and you could lose 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.

ADDENDUM TO THE REAL DEALS ON HOME DÉCOR® FDD
FOR THE STATE OF MICHIGAN
(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(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 protection 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 sub-franchisor.
(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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

TABLE OF CONTENTS

Item No. **Page No.**

~~1 Franchisor and any parent, Predecessors and Affiliates ..... 10~~
~~2 Business Experience ..... 11~~
~~3 Litigation ..... 11~~
~~4 Bankruptcy ..... 11~~
~~5 Initial Fees ..... 11~~
~~6 Other Fees ..... 12~~
~~7 Estimated Initial Investment ..... 17~~
~~8 Restrictions on Sources Of Products And Services ..... 19~~
~~9 Franchisee's Obligations ..... 22~~
~~10 Financing ..... 23~~
~~11 Franchisor's Assistance, Advertising, Computer Systems and Training ..... 23~~
~~12 Territory ..... 32~~
~~13 Trademarks ..... 33~~
~~14 Patents, Copyrights and Proprietary Information ..... 35~~
~~15 Obligation to Participate In The Actual Operation Of The Franchise Business ..... 36~~
~~16 Restrictions on What the Franchisee May Sell ..... 37~~
~~17 Renewal, Termination, Transfer and Dispute Resolution ..... 37~~
~~18 Public Figures ..... 41~~
~~19 Financial Performance Representations ..... 41~~
~~20 Outlets and Franchise Information ..... 42~~
~~21 Financial Statements ..... 46~~
~~22 Contracts ..... 46~~
~~23 Receipt ..... 46~~
1 Franchisor and any parent, Predecessors and Affiliates 10
2 Business Experience 12
3 Litigation 11
4 Bankruptcy 13
5 Initial Fees 13
6 Other Fees 12
7 Estimated Initial Investment 17
8 Restrictions on Sources Of Products And Services 19
9 Franchisee's Obligations 22
10 Financing 26
11 Franchisor's Assistance, Advertising, Computer Systems and Training 23
12 Territory 32
13 Trademarks 33
14 Patents, Copyrights and Proprietary Information 35
15 Obligation to Participate In The Actual Operation Of The Franchise Business 36
16 Restrictions on What the Franchisee May Sell 37
17 Renewal, Termination, Transfer and Dispute Resolution 37
18 Public Figures 41
19 Financial Performance Representations 41
20 Outlets and Franchise Information 42
21 Financial Statements 46
22 Contracts 46
23 Receipt 46

STATE ADDENDA SCHEDULES

EXHIBITS:
A. Franchise Agreement and its Exhibits
B. Financial Statements
C. Schedule of Franchisees

D. Table of Contents for Operations Manual
E. List of Agents for Service of Process
F. List of State Agencies Responsible for Franchise Disclosure & Registration Law
G. Release Agreement (Form)
H. Franchisee Signing Checklist
Receipts

FRANCHISE DISCLOSURE DOCUMENT

ITEM 1
FRANCHISOR AND ANY PARENT, PREDECESSORS AND AFFILIATES

The Franchisor

The name of the franchisor is Real Deals, Inc. In this disclosure document, Real Deals, Inc. is referred to as "we" or "us" or "our" or "Real Deals on Home Décor®"; "franchisee," "you" or "yours" means the person, or persons, individually or collectively, who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership or other entity.

Real Deals, Inc. is an Idaho corporation incorporated July 17, 2006. Our fiscal year ends on December 31st of each year. Our principal place of business is 1411 E. 4400 N., Buhl, Idaho 83316.

Franchisor Business Activities

~~Our predecessor is Real Deals on Home Décor, Inc. which had a principal place of business is 515 Lyn Ave., Jefferson, Georgia 30549. This corporation was administratively dissolved as of December 31, 2015. Our predecessor began using the Real Deals on Home Décor® marketing and merchandising concept in 2003.~~

Our agents for service of process are disclosed in Exhibit "E."

We do not do business under any names other than Real Deals, Inc. and have no business activities other than operating the Real Deals on Home Décor® franchise system.

We do not operate a business of the type offered to you in this disclosure document. Our officers and directors have been operating similar types of businesses since 2005.

As of the date of this disclosure document, we have not offered for sale or sold franchises in any other line of business. We began offering and selling Home Décor® franchises in August 2006.

Parents, Predecessors and Affiliates

Our predecessor is Real Deals on Home Décor, Inc. which had a principal place of business is 515 Lyn Ave., Jefferson, Georgia 30549. This corporation was administratively dissolved as of December 31, 2015. Our predecessor began using the Real Deals on Home Décor® marketing and merchandising concept in 2003. Our predecessor does not and has never offered franchises in the same type of business that you will operate or in any other line of business.

~~Parents, Predecessors and Affiliates~~

We have no other parents, predecessors or affiliates to be discussed in this item.

Franchise Offered

We license and train others to operate Real Deals on Home Décor® businesses. As a Real Deals on Home Décor® business, you will operate a retail Shoppe offering home décor, furniture, home accessory, jewelry, clothing, personal accessories, food and beverage items, and other related merchandise and products. The grant of a franchise authorizes you to engage in our complete system under the name Real Deals on Home Décor® and other proprietary marks.

You are required to purchase and carry specific materials and supplies and to follow our standards, methods, policies and procedures in the operation of your franchise business that are described in more detail in our franchise agreement, attached as Exhibit "A" to this disclosure document.

General Description of Market and Competition

The general market for retail home décor, accessory, and furniture products is well-developed and competitive. No studies or surveys have been conducted to determine a need for these services or products within your territory. You will typically compete with other established businesses. There are

many such competitors from large national chains to small independent operators. You may also encounter competition from other Real Deals on Home Décor® franchisees operated by us or other franchisees outside your territory.

Uniformity of franchise agreements among our franchisees may not always be possible or practical. We and our predecessors have offered in the past and we may offer in the future, franchise agreements to other franchisees on terms materially different from those included in this disclosure document. We also may materially vary the franchise agreement terms, conditions, and obligations (including those relating to fees, territories, training and other items) offered to other franchisees and except as may be required by applicable law we have no obligation to disclose these variations to you or to grant the same or similar variation to you.

Laws and Regulations

You are required to follow all laws and regulations that apply to business generally. You are solely responsible ~~to obtain~~for obtaining a business license in your locality and state, and to follow all laws and regulations that apply to businesses generally. ~~There~~However, there are no specific laws or regulations that govern this industry.

You must investigate local zoning rules because they may limit where you can locate your franchise business and may affect the design features including the building façade and signs. In many jurisdictions, you will also be required to obtain a sign permit. You should also be aware of federal, state, and local environmental laws about the disposal of waste materials and packaging. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses.

The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost ~~to operate~~of operating your business. You are solely responsible ~~to determine~~for determining what local or state regulations, permits and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city or town.

At your cost and expense, you must investigate and ensure that you comply with all payment card industry ("PCI") and data security standard ("DSS") standards, regulations, and requirements. You are not permitted to collect, store, transfer, etc., any unnecessary customer information. Additional information can be found at https://www.pcisecuritystandards.org/.

ITEM 2
BUSINESS EXPERIENCE

NAME	Company Name and Location	POSITION	FROM
Nate Kelsey	Real Deals, Inc. ~~Twin Falls~~Buhl, Idaho	President and Chief Executive Officer and Director	2004 - Present
Carie Kelsey	Real Deals, Inc. ~~Twin Falls~~Buhl, Idaho	Executive Vice President and Director	2004 - Present
Fernando Brito	Real Deals, Inc. Buhl, Idaho Shopify Inc. New York, New York Steve Madden Ltd New York, New York	Senior Systems & Operations Manager Retail Launch Engineer Retail Systems Analyst	August 2023 to Present Mar 2022 to May 2023 Nov 2003 to Feb 2022

Rochelle Zuercher	Real Deals, Inc. Buhl, Idaho Pivot Creative, Marketing agency Shelby, Ohio	Senior Brand & Marketing Manager Marketing	January 2024 to Present May 2007 to Jan 2024

ITEM 3
LITIGATION

There is no litigation required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

On the signing of the franchise agreement, all franchisees pay an initial franchise fee of $~~35~~30,000.

Required Purchases from the Franchisor or an Affiliate

All franchisees must initially purchase ~~the following additional items~~Real Deals on Home Décor product labels from us at a cost of between $500 and $2,000~~: Real Deals on Home Décor® products, fixtures, posters, brochures, business cards, vinyl signage, web site link, shirts with logo for all owners and employees, signs and specialty bags~~. These costs and fees will be incurred in the weeks before opening the franchise business.

Initial Training

There is no training fee for up to ~~four~~4 attendees. See Item 7 for more details. We also allow additional people to attend the same initial training as you for an additional fee of $250 per attendee per day. ~~We will provide up to 32 total hours of opening assistance at no additional fee to you. If more than 32 hours of assistance is needed, you will pay a fee of $30 per hour/per trainer, plus expenses incurred by the trainers.~~

Pre-Opening Assistance Fee

We will provide you with up to 3 of our representatives to visit your franchise business and provide you with up to 32 hours prior to your opening to assist with setup and design until it is complete. There is no charge for this training unless the ship setup and design takes more than 32 hours. If more than 32 hours is required, then you must pay our trainer an hourly rate of $~~30~~50 per hour, plus any additional food, travel, and lodging costs incurred ~~costs of~~by our representative. Additionally, if you postpone this assistance within 7 days of the scheduled date, you must pay us a rescheduling fee of $2,500.

Uniformity and Refunds

Unless otherwise described above, these costs and fees are uniform and are non-refundable for all fees.

ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty[1]	Up to 7% of gross sales; currently 5% of gross sales	Payable weekly in accordance with our electronic funds transfer or automatic withdrawal program as developed	Gross sales include all revenue from the franchise business but exclude sales tax and returns or bona fide credits. We can increase the royalty up to the 7% maximum amount at any time upon 30 days' written notice to you. Royalty will be 7% for any period of time between the end of a term and the signing of a successor franchise agreement.
Marketing Fund Fee[1, 2]	Up to 2% of gross sales; currently 1.5% of gross sales	Payable weekly in accordance with an electronic funds transfer or automatic withdrawal program, as developed	~~After 3 years from the date of your franchise agreement, we~~We can increase the marketing fee to 2% of gross sales with 30 days' notice to you.
Pre-Opening Marketing[1,2]	$5,000	As incurred	You will be required to spend up to this amount on grand opening marketing and promotions in your territory. In our discretion, this amount may be paid to us, and we will then directly pay the vendors and other suppliers of your local marketing.
Successor Franchise Fee[1]	$2,000	Prior to entering into a successor franchise agreement	A successor franchise agreement is available to you only if you meet each of the requirements described in the franchise agreement at the time of your timely election to enter into a successor agreement.
Relocation Fee	$250 per person/per day for Our first 2 ~~visits~~days; $500 per person/per day thereafter or $250 per day if held at our headquarters	Upon demand	Payable if we approve of your relocation. You are required to pay for 2 of our representatives to visit your new premises for up to 2 days. You will also be responsible for all fees associated the visits and all travel, food and lodging of our representative.
Marketing Cooperative[1]	1% of gross sales payable to the co-op, unless a majority of members in Your Co-op vote to increase the contribution percentage	Payable in accordance with the advertising cooperative's governing documents	If we form a local advertising co-op in your area, any marketing expenditures you make through the co-op is credited towards fulfilling your local obligation.
Non-Sufficient Fund Fees[1]	$50 per bounced check or insufficient or disputed draft	Payable with royalty or on demand	If this fee is higher than what is allowed under state law, the fee will be reduced to the maximum allowed by state law (see state specific addendum).

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Late Charges[1, 6]	~~Royalty payment:~~ $500 per late royalty payment ~~marketing fund payment:~~ $100 per unpaid marketing fee ~~reports payment:~~ $500 per late report~~, in addition to 18% interest, or the maximum interest allowed by state law~~	Payable with royalty or on demand	Charges begin to accrue the day after any required payment or report is late or and is assessed on a monthly basis. We can adjust these fees at any time.
Interest on Late Fees and Reports	18% interest or maximum rate permitted by state law, whichever is less	Payable with royalty or on demand	Interest begins to accrue on the total amount (fee plus any late charge) after the due date of any required payment or report.
Sales or Use Tax[1, 6]	Sum equal to tax imposed	Upon demand	If a sales, use, or value added tax is assessed on fees you pay to us, you must also pay us the applicable tax when invoiced.
Audit Charge[1, 6]	Cost of audit	On billing	Payable only if the audit shows an understatement of 2% or more of gross sales for the period audited, or records are unorganized or unavailable.
POS Fee[1,6]	Currently, $200 per month as the base price, but is subject to increase as needed	On or before the first Wednesday each month, to be paid in accordance with our electronic funds transfer or automatic withdrawal program as developed	Monthly fee for our required Point of Sale system. This fee may increase at any time and will be updated periodically in our manuals. The monthly fee may also increase depending on your add-ons with the POS system.
Technology Fee[1,6]	Currently $60 per month, but is subject to increase as needed	On or before the 15th day of each month, to be paid in accordance with our electronic funds transfer or automatic withdrawal program as developed	Used to provide the Real Deals University portal, and for other technologies as developed and implemented. This fee may increase at any time and will be updated periodically in our manuals.
System Non-Compliance Fines and Charges[1, 4]	$2,500 per violation	Upon demand as incurred	See Note 4.
Replacement Training[1]	$250 per person, per day	In advance of training	~~Payable if We determine any~~Any new operating principal, ~~manager or~~ key employee ~~needs~~and manager must complete initial training prior to ~~be trained by Us~~taking over. You will be required to pay the travel, lodging, food, and other expenses for your trainees (if applicable) while attending this training.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Annual Manager Training[1]	Same as additional training	In advance of ~~Training~~training	Once each calendar year at our discretion, your operating principal and designated manager must meet with our representatives to review your operations and financial performance.
Additional In-Person Training[1,6]	Our then-current fee for additional training, which is currently $250 per person per day for the first 2 on-site visits and $500 per person per day thereafter or $250 per person per day if at our headquarters~~.~~	Upon billing	Depending on advanced notice and our availability, you may request additional in-person training. We can also require additional training if you do not pass an inspection, if you are in default or as otherwise determined by us in our sole discretion. You will also be required to pay all our travel, lodging, food and other expenses. ~~We reserve the right to limit additional in-person training. We can adjust this fee at any time. The current fee will be listed in the manuals.~~
Rescheduling Fee[1]	$2,500	As incurred, prior to training	If you postpone or reschedule a training within 7 days of the scheduled date, or if you fail to complete certain requirements prior to a training.
Insurance Reimbursement Fee[1,6]	Reimbursement of premium amount, plus $50 per hour, per person	Upon demand	You are required to hold and maintain your own insurance, but if you fail to do so, we have the right to obtain insurance on your behalf.
PCI and DSS Audit Reimbursement Fee[1, 6]	Costs of the audit	Upon demand	You must reimburse us all costs related to an audit for your non-compliance with PCI and DSS requirements.
Convention Fee[1]	$100 per attendee per day (payable even if you don't attend)	At time of registering for the conference or seminar	You will also be required to pay all travel, lodging, food, and other expenses for each of your attendees.
Compliance Re-Inspection Fee[1]	$50 per hour	Upon billing after inspection	Payable if you fail any inspection and we determine a need to conduct a re-inspection for compliance.
~~Quality Assurance Inspections / Mystery Shopper Fee[1,6]~~	~~Currently up to $250 per month, plus the cost of any product purchased.~~	~~As incurred~~	~~You must pay the actual cost of third-party quality assurance inspection mystery shops undertaken at your location. This fee will be updated periodically.~~

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Interim Management Fee[1,6]	Our then-current fee, which is currently $250 per day, per representative, or our then-current rate~~.~~	Time of service	Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, or after you have been given a notice of default and failed to cure. You must also pay all travel, lodging, food, and other expenses for our representative(s) and other expenses that may be incurred by us to perform such services, plus royalties, advertising fees, and other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed between us.
Quality Assurance Inspections / Mystery Shopper Fee[1,6]	Currently up to $250 per month, plus the cost of any product purchased	As incurred	You must pay the actual cost of third-party quality assurance inspection mystery shops undertaken at your location. This fee will be updated periodically.
Failure to Complete Franchise Agreement Signing Requirements ~~in the event of your failure to timely provide required documents~~[11],[6]	At least $300 per occurrence, or our then-current fee	As incurred	Upon signing the franchise agreement, you are required to provide us with a fully and correctly signed franchise agreement along with all required initial and ongoing notices, certificates and documents at the times set forth in the franchise agreement and by us.
Supplier Evaluation Fee[1, 6]	~~Reasonable expenses at~~Actual cost but not less than $500~~.~~	Before we approve suppliers and in advance of testing or review analysis	Payable if you want to have unapproved suppliers evaluated for our approval.
Replacement Costs	Our costs, plus $50 per hour for our time	Upon demand	If you fail to replace equipment, furniture, tools, etc., that is outdated, damaged obsolete, etc., and we determine to replace those items for you.
Additional Copies of Marketing Materials[1]	Our costs, plus 10%, and the costs for shipping and handling	Time of delivery	You will receive one copy of marketing and promotional materials at no cost to you, other than shipping and handling.
Additional Marketing Assistance	~~Our then-current fee for additional training, which is currently $250 per person per day for the first 2 on-site visits and $500 per person per day thereafter or $250 per person per day if at our headquarters.~~$50 per hour		Payable if you request additional marketing assistance from us or our marketing team

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Post-Termination, De-Identification Non-Compliance Fees[1, 5,6]	$350 per day	Upon demand as incurred	See Note 5.
~~Franchise Agreement~~ Transfer Fee[1]	$2,000	~~Payable when you sell your franchise and prior to our signing any approval or new agreement~~At time of approved transfer	Payable when you sell your franchise, substantially all of your assets, or a controlling interest in your franchise and prior to our signing any approval or new agreement. Each individual owner, partner, shareholder, and member must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
Minority Interest Transfer Fee[1]	Legal and corporate costs and fees	Payable prior to our signing any approval or new agreement	This fee applies to transfers of up to 40% of your franchisee entity – cumulative during the term of the franchise agreement. Each individual owner, partner, member , and shareholder must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
Transfer Training Fee[1]	$10,000	Payable prior to our signing any approval or new agreement	Either you or the new buyer must pay this training fee.
Indemnification[3]	Our damages and costs	As incurred or on demand	See Note 3.
Dispute Resolution Fees[1, 6]	Our legal fees and costs if we prevail	As incurred or on demand	You are required to pay half of the mediation and/or arbitration fees. Additionally, the prevailing party will be entitled to reimbursement of its legal fees and expenses.

Note 1: Royalty and Fees. Except as shown in the remarks column, all fees are uniformly imposed and payable to us. All fees payable to us or an affiliate are non-refundable. ~~You should verify with third-party payee whether such payments, deposits, or fees are refundable or not.~~ Some of our initial franchise Shoppes and affiliate Shoppes pay a different percentage for fees. A limited number of our franchises and affiliates pay a royalty between 0% and 3%.

~~We require you to establish a bank sweep, draft or other similar type of electronic funds transfer ("EFT") account in which you must deposit the gross sales of your outlet (not including local sales and use taxes) which account we may automatically access for any payment due to us, including post-termination fees. You cannot close or terminate any EFT account without receiving our prior written consent. If you fail to timely report gross sales, we may sweep an estimated amount of fees due to us. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account. You will be responsible to pay us any amount owing if we underestimate your payment to us, and we will credit you with any overage we charge. If you enter into an Area Development Agreement or open multiple units, these fees will apply, respectively, to each separate unit.~~

Note 2: Marketing Fund Fees. The ~~Marketing Fund Fee~~marketing fund fee may be used by us for one or more national or regional marketing and brand development programs, as we choose. In addition, you must spend at least 1% of gross sales and a minimum of $500 per month to advertise your franchise business locally. We may increase the required local marketing amount upon 60 days' notice to you and

We may require you to spend up to $15,000 on local marketing. In addition, you must spend at least $5,000 on pre-opening marketing media to be run during the first week during your opening. These fees are uniformly imposed.

Note 3: Indemnification. You must indemnify us from damages and costs related to your acts, errors or omissions in the operation of your franchise business or your franchise business generally, and including any allegation that you are our employee, or that we are a joint employer or otherwise responsible for the acts or omissions relating to your employees, and other laws regarding public accommodations for persons with disabilities. ~~You are not required to indemnify us for liability caused by our willful misconduct, gross negligence, strict liability, or fraud.~~

Note 4: System Non-Compliance. If you do not correct the violation within the time required by us, we have the right to put you in default. All fines are to be paid in accordance with our electronic funds transfer or automatic withdraw program~~-~~.

Note 5: Post-Termination, De-Identification, Non-Compliance Fee. In the event You fail to comply promptly with any of your post termination de-identification obligations: (a) you must to pay us $350 per day for each day that you are in default, as a reasonable estimate of the damages suffered by us; and (b) to prevent further injury, we may hire a third-party or use our own personnel to de-identify your unit and/or to carry out any other obligations on your behalf, for which costs you will be responsible. ~~These fees and costs will be applied against your~~ Immediately prior to termination ~~deposit.~~, we will have the right to automatically debit your account up to $5,000 in anticipation of the costs associated with enforcing your post-termination obligations. Any unused portion will be refunded to you within 30 days of our completing the applicable post-termination obligations. This post-termination fee obligation will not affect our right to obtain appropriate injunctive relief and other remedies to enforce the franchise agreement and your obligations.

Note 6: Fee Increase. ~~For any amounts due by You that are a fixed dollar amount (e.g. a fee is $250 per person/per day) or that are calculated in a way that includes a fixed dollar amount (e.g. 5% of gross sales between $5,000 and $50,000 is the amount due by You), We may adjust these dollar amounts each year during the term of the franchise agreement proportionately by up to 10% per year, effective upon notice to You.~~If a fee is subject to increase by us (rather than a third party), the increase will not be more than the equivalent of 10% per year (cumulative) during the term of your franchise agreement to adjust to increased costs. This only applies to fees that are subject to change by us. If we do not designate that a fee is subject to change, the fee will remain the same during the term of the franchise agreement. Costs charged by third parties are subject to change at any time and do not have an annual cap.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee[1]	$~~35~~30,000	Upon signing the franchise agreement	At signing	Us
Travel and living expenses while training[2]	~~$1,500 to~~ $3,000 ~~per person trained~~to $6,000	As incurred	During training	Airlines, hotels and restaurants
Real Deals on Home Décor® branded products[3]	$500 to $2,000	Lump sum	As incurred	Us
Real estate improvements[4]	$5,000 to $50,000	As incurred ~~or negotiated~~	As ~~incurred or~~ negotiated	Suppliers and contractors

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Rent[5]	$~~1,000~~2,700 to $~~8,000~~17,400	As incurred ~~or negotiated~~	As ~~incurred or~~ negotiated	Landlords
Equipment, furniture, fixtures, décor, and supplies[6]	$5,000 to $13,000	As incurred ~~or leased~~	Before opening if paid to us or an affiliate, or as negotiated	~~Us and suppliers~~Suppliers
Computer hardware, and software[7]	$1,~~500~~650 to $3,~~000~~500	As incurred ~~or leased~~	~~Before opening~~As negotiated	Vendors and suppliers
Signs[8]	$5,000 to $8,000	As incurred	~~Before opening~~As negotiated	~~suppliers~~Suppliers
Pre-Opening advertising[9]	$5,000	As incurred	~~Before opening~~As negotiated	Media vendors and suppliers, or us in our sole discretion
Misc. opening costs[10]	$500 to $3,000	As incurred	As incurred	Suppliers, government departments, utilities, etc.
Opening inventory[11]	$55,500 to $85,500	Lump sum	Before opening	Vendors and suppliers
Advertising – 3 months[12]	$9,000 to $15,000	As incurred	As incurred	Marketing vendors and suppliers
Addition–l funds - 3 months[13]	$20,000 to $30,000	As incurred	As incurred	Suppliers, accountant, employees, etc.
TOTAL[14]*	$~~144,500~~142,850 to $~~260,500~~268,400			

Note 1: Initial Franchise Fee. The initial franchisee fee is non-refundable, and we do not finance any portion of the fee.

Note 2: Travel and Living Expenses While Training. We have based the estimated range on you having 2 people attend training. While you are allowed to have up to 4 attendees without additional training fees paid to us, most of our franchisees have 2 attendees. ~~You are responsible to pay~~You are responsible for paying all travel, lodging, food and other expenses for yourself and your attendees during training, directly to the supplier (hotels, airlines, restaurants, ~~rental car companies, etc.).~~ car rental companies, etc.). ~~While you are allowed to have up to 4 attendees without additional training fees paid to us, most of our franchisees have 2 attendees. We have based our estimate on you having 2 people attend training.~~ These costs will vary widely as a function of the distance traveled and the choice of accommodations, meals and transportation.

Note 3: Real Deals on Home Décor® Branded Products. This estimate includes costs for the following types of products purchased from us: posters, brochures, business cards, vinyl signage, web site link, shirts with logo for all owners and employees, signs and specialty bags.

Note 4: Real Estate Improvements. This estimate includes the cost for construction to build out your location according to our specifications. Costs of improvements vary widely based on location, terms of the lease, the total area of your space as well as construction and material costs. Your landlord may provide you with a tenant improvement allowance as part of your lease, which has not been included as

part of these estimates. These costs estimate the improvements to your space, but do not include any tenant improvement or leasehold improvement allowance you may receive. You should review these costs with a local contractor, commercial real estate agent and other professionals. We will help you with standard design plans and specifications for construction of improvements and you must follow our décor specifications. If you locate your center to a newly constructed space, the landlord may require significantly greater additional expenditures to cover leasehold improvements. You are not required to lease newly constructed space.

Note 5: Rent: Your space will vary depending on your needs, but we estimate you will need between 2,000 and 4,000 square feet with a minimum of 1,000 square feet of show room space, and we estimate your lease to be $8 to $~~16~~26 per square foot based on information our franchisees have provided. Our estimates in this table ~~assume~~is for one month rent and a security deposit, based on the assumption you pay a security deposit equal to 1-month's rent, and that you begin paying rent when (or shortly before) you open for business. For this to occur, you would need to negotiate a rent-free period for the time it takes to build out your business. You may be able to negotiate additional free rent or reduced rent periods after opening as well. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different. We have not included an estimate for the cost to purchase and build a location in the table above, but we estimate the cost of your build out to range between $25 and $200 per square foot, depending on your market.

Note 6: Equipment, Furniture, Fixtures, Décor, and Supplies. Included in this estimate are the costs for products, furniture, fixtures, and office supplies. You are required to follow our décor specifications.

Note 7: Computer Hardware, and Software. ~~As part of the initial franchise fee, we will provide~~You are required to have a 2-register POS system, and each register system will include a cash drawer, receipt printer, barcode scanner, credit card reader doc, iPad stand and POS Go. The fees ~~included~~ above ~~are for~~include the POS system along with additional software and an office computer or tablet. Any payments to us are non-refundable.

Note 8: Signs. A minimum of 1 exterior sign displaying the Real Deals on Home Décor® trademark is required. All exterior and interior signage must be designed and approved by us prior to ordering any signage. After signing the franchise agreement, you will be required to submit images and paperwork for all signage to us and we will create sign mock-ups. You are required to purchase all signage from our approved vendor and all signs must conform to our specifications. You must use the location's monument/pole sign if available.

Note 9: Pre-Opening Advertising. You must spend $5,000 on pre-opening advertising and marketing for your business. Advertising and marketing are essential to the successful opening of your franchise business. This $5,000 pre-opening marketing requirement (POM) is for buying advertising and marketing media (TV, radio, social media, and print media) to be run before and during the first week of opening. Our advertising and marketing team will compile a suggested media buy for you based on your market.

Note 10: Miscellaneous Opening Costs. These miscellaneous costs include utility set up fees, business entity organization expenses, employee training, deposits, insurance and licenses. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history. ~~We strongly recommend that you hire a lawyer, accountant, and other professionals to advise you on this franchise offering.~~ Rates for professionals can vary significantly based on locale, area of expertise and experience.

Note 11: Opening Inventory. Opening inventory items include furniture, décor, boutique items, and other accessory items offered for sale to the public. You should expect to spend about $38,000 for each 1,000 square feet of showroom space. The amount in Item 7 reflects the cost needed to have a complete opening inventory and deposits on substantial direct import inventory for future delivery. This is only an initial supply and will require replenishment on a regular on-going basis based on the volume of sales for your franchise business.

Note 12: Advertising. This estimates the cost of advertising for the first 3 months of operations, including a minimum of $500 per month on local media marketing and an additional 1% on local general media marketing. We may require you to spend up to $15,000 annually on local marketing.

Note 13: Additional Funds. This estimates your operating expenses during your first 3 months of operations, not including cash flows. Employee compensation is between you and your employees and may vary ~~widely~~. You must maintain a minimum of $3,000 in your operating account or have a $3,000 line of credit even after royalties have been paid. Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing. We relied on the experience of our principals and our franchisees in opening and operating Real Deals on Home Décor® stores since 2006 to compile these estimates.

Note 14: Total. These figures are estimates for the development of 1 franchise ~~unit~~Shoppe and we cannot guarantee that you will not have additional expenses starting your business. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. We recommend you develop a business plan for your Shoppe.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers, Proprietary Products, and Required Purchases

You must operate your franchise business according to our system, including purchasing or leasing certain items or services according to our specifications and/or from approved suppliers. You may not deviate from these methods, standards and specifications or without our prior written consent.

You must purchase or lease the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

Item or Service	Is the franchisor or an affiliate an approved supplier of this Item?	Is the franchisor or an affiliate the only approved supplier of this Item?
All décor, furniture, jewelry, clothing, accessory and other products sold or displayed in your Shoppe	No	No
Software (SOS, Shopify)	Yes	Yes
Trademarked items	~~Yes~~No	~~Yes~~No
Credit card merchant services	No	No
Gift cards services	No	No
Power Buys	No	No
POS System	~~Yes~~No	~~Yes~~No
Zip printer	No	No

~~We may also require you to purchase advertising materials only from approved suppliers. We reserve the right for us or an affiliate to be an approved supplier or the only approved supplier of any of the items listed in the above list. Additionally, we reserve the right to require that all items used in the operation of your business be purchased from sources approved by us.~~

The following items must meet our design standards and specifications: signs, display fixtures, lighting, color schemes, music, customer service counters and other interior design specifications.

Insurance

You must at all times during the entire term of the franchise agreement and at your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from our designated supplier if we have one in your area, or a company rated "A" or better by A.M. Best & Company, Inc., which minimums may be adjusted from time to time in our sole discretion:

Type of Insurance	Minimum Required Amount(s)
Commercial general liability insurance	$1,000,000 per occurrence and $2,000,000 in the aggregate or leasehold minimum, whichever is greater
Property insurance	100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage
Commercial automobile insurance (only required if you provide any delivery or off-site assistance)	At least $250,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Business interruption insurance	Time covering at least 75% of Your annual revenue or the actual loss sustained, whichever is greater
Government required insurances	~~You must maintain and keep in force all~~All worker's compensation and employment insurance on your employees ~~that is~~as required under all federal and state laws.

These policies (excluding worker's compensation) will insure you, us, and our officers, directors and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance or operation of the franchise business. These policies will stipulate that we will receive a 30-day written notice prior to cancellation or termination, and we must receive a 30-day notice of any modification. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us must be furnished to us together with proof of payment prior to you beginning operations. Your failure to provide us with an annually updated certificate of insurance may result in our obtaining insurance on your behalf and at your sole expense. ~~Our insurance coverage requirements are only minimums.~~ You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. We may, during the term of your franchise agreement, require that you use a designated vendor for insurance.

If you fail to obtain or maintain insurance, we may obtain insurance for you, and you will pay the premium costs, plus an administration fee of $50 per hour, per person for our time. We may periodically modify or adjust the amounts of coverage required and/or require different or additional coverage. We do not derive revenue from your purchase of insurance. We recommend you consult with your insurance agent prior to signing the franchise agreement. We have the right to require that you obtain from your insurance company, and subsequently provide to us for our review, a report of claims made and reserves set against your insurance (commonly known as "loss runs").

If your premises are damaged and covered by insurance, you must use the proceeds to restore the facility to its original condition within 160 days from receiving the proceeds, unless we consent otherwise in writing.

Approved Suppliers

~~———~~We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you must purchase items or services from approved suppliers.

All currently approved suppliers and specifications are made available to you before the beginning of operations. ~~We consider our specifications to be of critical importance to the success of the system.~~ As to these matters, you must deal only with suppliers approved by us. You must receive our prior written approval to deviate in any manner from our specifications.

Ownership in Approved Suppliers

None of our officers have a direct ownership interest in any of our suppliers.

Proportion of Required Purchases and Leases

We estimate that the proportion of required purchases or leases will represent approximately 85% to 100% of your overall purchases in opening your franchise business, and 90% - 100% in operating your franchise business.

Revenue to Us and Our Affiliates from Required Purchases

We derive revenue for goods and services sold or provided by us and we reserve the right to receive a fee, payment, or other consideration from third party suppliers of these goods and services. In the last fiscal year ending on December 31, 2024, we did not receive any rebates or other revenues from suppliers for purchases by franchisees, but we did receive sponsorship money from suppliers.

There are no required purchases from our affiliates. All our affiliates are approved suppliers, not required suppliers.

Non-Approved Suppliers

Except for certain trademark and private label items and designated source items described above, if you desire to use particular suppliers, or if you would like us to consider alternative goods, and if that supplier or good meets the specifications and requirements of our system, at our discretion, we may approve that the supplier become an approved supplier or for that good to become an approved ~~supplier~~good in our system.

You may establish suppliers and goods on the approved list by making an appropriate application to us. The following general criteria is used in considering whether a supplier will be designated as an approved source~~:~~ (or if an alternative good will be approved): the ability of the supplier to make the product to our standards and specifications; a willingness by the supplier to cooperate and work with you and other franchisees; the supplier's production and delivery capabilities; price and quality; reputation of the supplier; quality assurance systems; the financial condition of the supplier; the ability and willingness of the supplier to train you and us on the effective and safe use of the product; and the supplier's professional competence and performance abilities. We will use our best judgment in setting and modifying specifications to maintain quality and integrity of the franchise system. You may be required to sign open account credit agreements, to prepay using an electronic fund withdrawal system, or to provide a deposit for purchase of products, services and other supplies from us, our affiliates and other approved suppliers.

If you desire to purchase any items from an unapproved supplier, or to purchase an alternative good, you will submit to us a written request for this approval or request the supplier itself to do so. We may require you to submit sufficient information and data to permit us to ascertain whether a supplier or good meets our specifications. You must ~~pay~~ reimburse Us Our costs and expenses of testing within 30 days of completion of our evaluation. The minimum amount of reimbursement is $500. The evaluation fee and other costs are not refundable regardless of whether or not we approve of a supplier or good. We will notify you in writing, within a reasonable time, typically within 30 days of submission, as to whether the supplier or good has been approved or disapproved. We may make changes or alterations in the standards and specifications for approving suppliers~~:~~ and alternative goods. Although suggestions are welcomed, we are not obligated to work with you to develop or improve products or services offered to customers. At our discretion, we may revoke our approval from an approved supplier or good upon 30 days' written notice to you.

Standards and Specifications

We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to do so) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

We may also enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you will be required to purchase such items from the approved suppliers. These arrangements require you to participate in purchases from suppliers that require minimum orders for purposes of filling shipment containers. This could be as much as half of a container as specified in our manuals.

Benefits Provided to You for Purchases

You will not receive any material benefit from us based on your use of designated or approved sources (e.g., grant renewals or additional franchises based on your purchases).

Negotiated Arrangements

We negotiate with certain furniture, home décor, accessories, jewelry, clothing and other merchandise suppliers so that currently, you and other franchisees may receive a discount up to 30% to 50% off listed wholesale prices. At this time, there are no purchasing or distribution cooperatives. Other than as stated above, there is no obligation for you, under the terms of the franchise agreement, to purchase or lease any goods or services regarding the establishment or operation of the franchise business from approved sources.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	OBLIGATIONS	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a.	Site selection and acquisition/lease	Sections 4.1 and 4.2	Item 11
b.	Pre-opening purchases/leases	Section 4.2 and paragraphs 6.1.3, 6.1.11, and 6.1.13	Item 8
c.	Site development and other pre-opening requirements	Section 4.3	Items 7 and 11
d.	Initial and ongoing training	Paragraphs 6.1.4 and 6.1.4(ii) and(iii) and sections 7.2, 7.3, and 7.4	Item 11
e.	Opening	Sections 4.4 and 7.3	Item 11
f.	Fees	Article V	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Section 6.2 and article IX	Items 8, 11 and 16
h.	Trademarks and proprietary information	Article III	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII	Item 8
j.	Warranty and customer service requirements	Paragraphs 6.1.2 and section 8.6	Item 11
k.	Territorial development and sales quotas	Not applicable	Item 12
l.	Ongoing product/service purchases	Article VIII	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraphs 6.1.2 and 6.1.9	Item 11
n.	Insurance	Paragraph 6.1.11	Item 8
o.	Advertising	Article X	Items 6, 7 and 11
p.	Indemnification	Section 15.2	Item 6
q.	Owner's participation/ management/staffing	Paragraphs 6.1.7, 6.1.8, 6.1.10, and 6.2.3	Items 11 and 15
r.	Records and reports	Sections 5.4 and 5.5	Item 6
s.	Inspections and audits	Paragraphs 5.5.2 and 6.2.2(iv)	Items 6 and 11
t.	Transfer	Article XIV	Item 17
u.	Renewal	Section 2.2	Item 17
v.	Post-termination obligations	Section 12.1	Item 17

	OBLIGATIONS	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
w.	Non-competition covenants	Article XVI	Items 14, 15 and 17
x.	Dispute resolution	Article XVII	Item 17
y.	Compliance with government regulations	Sections 4.1 and 4.2 and paragraphs 6.1.1, 6.1.10, 6.1.11, ~~12.1.13,~~ and 16.1	Item 12
z.	Guarantee of franchisee obligations	Paragraph 6.3.1	Item 15

ITEM 10
FINANCING

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

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

Except as listed below, Real Deals, Inc. is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your franchise business, we will:

1) Designate your search area to locate your premises (this is not your territory) [franchise agreement section 1.1].

2) Approve your premises site before a lease is entered into or you begin construction. We do not assist in locating a site or in negotiating a lease. Finding a suitable location that conforms to local ordinances, building codes, and our guidelines is your responsibility. Our approval is based upon the following general criteria: access, appearance, visibility, traffic, general daytime and nighttime population of the area, parking, square feet, access, and general vicinity. We will provide you with general guidance regarding our standards for selecting a ~~stie~~site, but we do not prepare demographic studies, evaluate or guarantee the potential success of your proposed site, or otherwise determine a need for our services or products within your territory. Location approval or disapproval should be completed by us in writing within 4 weeks or less after you have submitted a proposed site for our review. We do not own properties that we lease to you, and we do not assist you in negotiating the purchase or lease of your site. If you and we disagree about the proposed location, you must locate another acceptable site for your store and repeat the process and shall have an additional 30 days to locate an approved site [franchise agreement section 4.1]. If you enter into an area development agreement, we must approve of the site for each of your units. Our approval or disapproval of a proposed site will be based on our then-current standards for approving sites.

3) Make available general specifications for ~~those~~necessary equipment, signs, fixtures, opening inventory, supplies, and other items listed in Item 8. Unless we are an approved supplier of an item and you purchase the entire item directly from us, we do not provide these items to you directly, but we do provide you with the names of the approved suppliers for these items [franchise agreement paragraph 7.1.1].

4) Provide you with the names of approved suppliers [franchise agreement paragraph 7.1.1].

5) Provide you preliminary design/layout plans for your franchise business. You must adapt the above, at your own expense, to your site in accordance with local, state and federal laws, rules and ordinances, and obtain any required licenses and permits. Other than providing you with the general specifications, we do not assist you with the construction or remodeling of the premises [franchise agreement paragraph 4.3.1 and 4.3.2].

6) Loan you a copy or provide electronic access to our confidential manuals, containing mandatory policies, operating procedures, rules, employee guide, and other information. The manuals are confidential and will remain our property. You must keep the contents of the manuals confidential and may be used by you only in association with your Real Deals on Home Décor® franchise business and only during the term of the franchise agreement. The master copy of the manuals maintained by us will ~~be controlling~~control in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals either physically or electronically. The table of contents for the operations manual is included as Exhibit "D" to this disclosure document. Our operations manual is in electronic format and is equivalent to approximately 275 pages [franchise agreement article IX].

7) Assist you in designing and planning a media-based pre-opening marketing campaign. You must spend at least $5,000 on Pre-Opening Marketing (POM). The POM is for buying marketing media (TV, radio and print media) to be run before and during the first week of opening. Our marketing team will assist you in compiling suggested media buy for you based on your market [franchise agreement paragraph 5.1.1].

8) ~~We provide~~Provide an initial training program for your operating principal, owners and your key employee(s), described at the end of this Item 11 [franchise agreement paragraph 6.1.4].

Lease, Construction and Commencing Operations

You will have 2 months from the date of the franchise agreement to have an approved premises site and a lease in place for your franchise business [franchise agreement section 4.1]. You must use a local broker in your site selection. We must approve of your lease. You are required to have the landlord consent to ~~our standard lease rider which is attached to the franchise agreement as part~~an assignment of ~~your~~the lease before the lease agreement is signed [franchise agreement section 4.2]. ~~We do not generally own and lease or sublease properties to you.~~

Construction must be started within 1 month from the date of the lease agreement and be completed within 6 months from the date of the franchise agreement [franchise agreement section 4.3].

You are required to begin operations within 15 days after construction is complete and in no case later than six months from signing the franchise agreement. You must supply us with a valid certificate of occupancy at least 20 days before you can begin operations and before ~~We~~we will provide any opening assistance. We have the right to inspect and approve ~~Your Premises~~your premises and other aspects of ~~Your~~your operations relating to ~~Your~~your compliance with ~~this Agreement~~the franchise agreement prior to opening [franchise agreement section 4.4]. You may incur a fee if you do not provide the required certificate of occupancy prior to opening or if ~~You~~you postpone or reschedule Your opening [franchise agreement paragraph 6.1.4(vi)]. Abandonment of construction or stoppage of construction for 6 or more weeks due to your fault or neglect will be grounds for terminating the ~~Agreement~~franchise agreement [franchise agreement paragraph 4.3.3].

Estimated Length of Time Before Operation

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business is 6 months. Factors affecting this length of time usually include obtaining a satisfactory site, financing arrangements, construction, local ordinance compliance, training, and delivery and installation of furniture, fixtures, equipment, signs, supplies and opening inventory items.

Failure to meet these deadlines for any reason, including our disapproval of a proposed site location, or if we cannot agree on a site, abandonment of construction, or its stoppage for more than 6 weeks due to your fault or neglect, may result in a termination of the franchise agreement without a refund. If you can show a good faith effort to meet these deadlines, we may agree to extend a specific deadline at our discretion [franchise agreement section 4.6].

Assistance During Operation

During the operation of your franchise business, we will:

~~1) Hold conferences to discuss improvements, new developments, mutual concerns and business issues. Attendance is mandatory. We charge a convention fee, and you must pay all your travel, lodging, food and other expenses. These conferences may be held at various locations chosen by us. If you do not attend, then you must attend an additional training at our headquarters and pay the then-current fees charged for additional assistance and for non-attendance of the convention [franchise agreement paragraph 6.1.14].~~

~~2~~1) At your reasonable request or at our discretion, provide assistance either remotely by telephone and e-mail or in person. We are not required to provide in-person or on-going training; however, if you feel additional on-site training is necessary, we will provide training and supervision at your business location for our then-current fee for additional training [franchise agreement section 7.2].

~~3~~2) Provide you with updates to the manuals, which updates may be in the form of emails, newsletters, announcements, technical bulletins, or other written directives through means determined by us. We have the right to modify the manuals to reflect changes in the system including the development of or change in products and services [franchise agreement section 9.1]. The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify [franchise agreement paragraph 6.2.2(iii)].

~~4~~3) Provide you with an email address which must be used in all correspondence and communications involving your franchise business. If we provide you with an email account/address, we have the right to access your email account. You must at all times maintain and frequently check a valid and approved email address provided by, known and available to us, to facilitate our communication with you. You are not allowed to use a non-approved email for business purposes involving the franchise business [franchise agreement paragraph 6.2.2(i)].

During the operation of your franchise business, we may:

~~4~~) Hold conferences to discuss improvements, new developments, mutual concerns and business issues. Attendance is mandatory. We charge a convention fee, and you must pay all your travel, lodging, food and other expenses. These conferences may be held at various locations chosen by us. If you do not attend, you still are required to pay the conference fee, and you may be required to attend an additional training at our headquarters and pay the then-current fees charged for additional assistance [franchise agreement paragraph 6.1.14].

5) ~~—~~ Maintain a website for the Real Deals on Home Décor® brand that will include your business information and telephone number for your franchise business [franchise agreement section 7.5].

6) Make periodic evaluations and inspections of your franchise business, including inventory and vendor evaluations which may be done in person or through remote access such as video or live video conferencing and may be performed through a third-party provider. We are not required to provide you with advance notice or inform you when an inspection is taking place. Upon our request, at all reasonable times, you will provide us with a video and/or digital images of the interior and exterior of your franchise business as set forth in the manuals [franchise agreement paragraph 6.2.2(iv)].

7) Conduct additional seminars which may be through online webinars, videos, live video conferencing, phone conference or other electronic media, or in person, to discuss improvements, new developments, mutual concerns and business issues, sales and marketing, personnel training, bookkeeping, accounting, inventory control, and performance standards. We may charge a seminar fee, and you may be required to pay all your travel, lodging, food, and other expenses. In-person seminars are

normally held at our headquarters or as available at regional facilities [franchise agreement paragraph 6.1.14].

8) Provide you with such continuing assistance in the operation of the franchise business as we deem advisable [franchise agreement section 7.2]. We have the right to institute a mentor program where a current franchisee in good standing may provide initial and on-going services and support to you. In the event we institute a mentor program in your territory, you are required to communicate with the approved mentor, provide access to your books and records, and allow them, as we designate, to step in and provide services to you that would otherwise be performed by us [franchise agreement paragraph 7.2.1].

9) To the degree permitted by law, suggest retail prices and specify maximum and minimum prices above and below which you ~~will not~~cannot sell any goods or services [franchise agreement paragraph 6.1.12].

10) At Your expense, require you to repair, refinish, repaint, remodel, modernize, redecorate, or otherwise refurbish your premises from time to time as we may reasonably direct, but not more often than every 5 years, and we will not obligate you to invest additional capital at a time when the investment cannot in our reasonable judgement be amortized during the remaining term of the franchise agreement (except for required changes to the trademarks, or changes due to health or government mandates, guidelines, or public concerns which we may require at any time). This can include changing out items such as flooring, wall treatments, signage, lighting fixtures, and other physical elements of your franchise business. We may also require you to invest in new or updated equipment and technology at any time. You will also be required to complete any day-to-day maintenance issues as they occur during the term of the franchise agreement [franchise agreement section 6.1.9]. You must implement all changes within the time frames required by us.

11) Replace defective products purchased directly from us, based on our standard limited warranty. You must look directly to the manufacturer to replace defective products. For items purchased through third parties, you must work directly with the supplier or manufacturer of those items regarding warranties, defective equipment, products, software or other items purchased by you, training and support [franchise agreement section 8.6].

12) Refine and develop products or services that you will offer to your customers [franchise agreement paragraph 6.2.2(iii)].

Employment Matters

We do not assist you with the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, work rules or working conditions of your employees. That is your responsibility. We may provide you with a sample employee guide or manual, but if we do, it will only be an example of certain employment matters that you may adopt or not. It is your responsibility to comply with state and federal employment laws [franchise agreement paragraph 6.1.10].

Advertising, Marketing, and Promotion

You are required to participate in all marketing programs as directed by us and to use all materials, mediums, and other information made available to you in doing so.

We may provide you with samples of marketing and promotional materials developed by us and provide new marketing techniques as developed [franchise agreement section 10.4]. You are required to participate in all such programs we create. You will also be required to work directly with our marketing agency as they continue to develop marketing programs [franchise agreement section 10.3].

Additional copies of marketing and promotional materials will be made available by purchase from us at cost plus 10% for shipping and handling, or from approved suppliers. You may develop marketing materials for your use, at your cost, but all marketing materials must be approved by our marketing department. Any marketing or advertising you create whether approved by us or not becomes our property and will be considered a “work-made-for-hire” that can be used by us or other

franchisees without compensating you. If you do not receive written approval or disapproval within 10 business days of the date we receive your submission of advertising materials, the materials will be deemed approved. You are encouraged to send us copies of all your marketing at least quarterly. We can revoke our approval of any marketing materials at any time in our sole discretion [franchise agreement sections 3.11 and 10.4-10.5].

If you request additional marketing assistance from us or our marketing team, you must pay our then-current hourly fee as set forth in our fee schedule [franchise agreement paragraph 10.5.3].

Local Advertising

You must spend at least 1% of your gross sales on local marketing, plus an additional minimum of $500, per month, on local marketing. We have the right to require that the additional $500 minimum be paid directly to a marketing company of Our choice. We may also require you to spend up to $15,000 on local marketing during your first year of business. In addition, and upon request, you must submit an itemized report to us documenting proof of expenditures for local marketing in a form we may require. We reserve the right to increase the minimum local marketing requirement if we determine, in our sole discretion, that to do so will be in the best interest of the franchise system [franchise agreement paragraph 5.3.2 and section 10.3].

Advertising Fund

Although, under the terms of the franchise agreement we are not obligated to conduct advertising for the franchise system~~,~~ or to spend any amount on advertising in your territory, we have the right to and currently do maintain and administer a national advertising, marketing and development fund (referred to as the "marketing fund") for local, regional or national marketing or public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system. We may utilize the advertising fund to develop and test various media and technologies for potential utilization and/or improvement of the system and marketing of the system [franchise agreement section 10.1].

You must contribute 1.5% of gross sales to a national marketing fund for regional or national marketing or a public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system. We reserve the right to increase the fee to 2% of gross sales after 3 years. Our affiliated Shoppes contribute to this fund, but at a reduced rate. Contributions to the marketing fund may not be uniform [franchise agreement section 10.1].

We are responsible for administering the marketing fund, but we are not a fiduciary or trustee of the advertising fund. We will direct all uses of the marketing fund, with sole discretion over (1) the creative concepts, materials, endorsements and media used (that may include television, radio, Internet, social media, print, and other media and marketing formats as developed over time, as funds permit); (2) the source of the marketing or public relation efforts (that may be in-house or through an outside agency located locally, regionally or nationally); (3) the placement and allocation of these programs (that may be local or regional); and (4) the composition of all geographic territories and market areas for the development and implementation of these programs [franchise agreement paragraph 10.1.1].

We may use the marketing fund to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in marketing fund~~ activities~~, commissions, market research, marketing development and creation, production costs, costs for developing and monitoring a home page on the Internet or an Internet-like service, and other costs relating to the Advertising Fund [franchise agreement paragraph 10.1.2].

We are not required to spend any amount on marketing directly in the area or territory where you are located. We make no representations that expenditures from the marketing fund will benefit you or any other franchisee directly, on a pro rata basis, proportionally, or at all. We are not required to segregate the advertising fund from our general operating funds. We do not provide for placement of local marketing. Most placement is done on a local basis, typically by local marketing agencies hired by individual franchisees or marketing cooperatives. We reserve the right to use marketing fees to promote

Real Deals on Home Décor® products and general brand identification. Some marketing funds are used for the purpose of soliciting new franchises [franchise agreement paragraph 10.1.2].

Advertising Expenditures in the Last Fiscal Year

Any unused marketing funds in any calendar year will be applied to the following year's fund. The marketing fund is not audited. Once each calendar year, you may send us a written request to receive an unaudited annual report of marketing expenditures from the previous fiscal year but such written request must be received within 120 days of our fiscal year end. During the ~~2023~~2024 fiscal year, the marketing funds were used in the following ways: Production Materials 31%, Social Media Placement 3%, Administrative Expenses 44%, and Soliciting New Franchisees 22~~%, and other 0~~%.

Advertising & Marketing Cooperative

You are required to participate in a local or regional advertising and marketing cooperative ("marketing cooperative") when established or approved by us. The area of any cooperative marketing association will be based on regions determined by us. Your marketing area is defined as a market with multiple Real Deals on Home Décor® as determined by us. Upon the formation of a marketing cooperative, you will be deemed to be a member of that association as covers the area where your franchise is located, and you will be bound by any decisions made by the association upon a majority vote by voting members. You and other franchisees in the cooperative will be responsible for the administration of the association. Governing documents will be provided by us or by the cooperative and approved by us. At this time these governing documents are not available. Voting will be on the basis of one vote per franchise or company-owned location and one vote per franchise in good standing within the cooperative. At no time will we or our affiliates control the vote in any cooperative. Members of the cooperative must make contributions pro rata based on the number of units in the cooperative. The timing and amount of contributions you make may vary according to the vote and rules of the advertising cooperative, but unless voted otherwise by a majority of cooperative members, any contribution will not exceed the amount you are required to spend on local advertising and will be credited toward your local marketing obligation. All franchisees, and company or affiliate owned franchises, if any, within the marketing cooperative area will be required to join and contribute to the fund on the same basis or rate. The cooperative will be required to prepare unaudited annual financial statements, and these will be available for review by all franchisees in the cooperative, and us, for review. We have the power to require cooperatives to be formed, changed, dissolved or merged at any time. You are not required to join or contribute to more than one advertising cooperative for any single franchise business unit [franchise agreement section 10.2].

Other Marketing Funds & Advertising Council

At this time, you are not required to participate in any other marketing funds. No franchisee advertising council is anticipated at this time.

~~The~~ Internet and Social Media

~~You may not create a website for your franchise business. However, we~~We may allow you to place pre-approved information concerning your franchise business on our website or a subdomain, as developed by us. ~~You cannot engage in marketing on the Internet, including posting for re-sell, items on third party re-sell or auction-style websites such as eBay, Craigslist or Amazon without our prior written permission. You may not claim any web listing on sites such as Yelp. We have the right (but not the obligation) to manage and control all online reviews for your franchise. We reserve the right to restrict your right to use these sites in the future [franchise agreement paragraph 10.6.1].~~

~~Social Media~~

We will own the social media accounts related to the brand, but we may decide to provide you access to the social media account for your location for certain management responsibilities and functions. ~~You cannot change any login/password information without our prior written approval, and you~~You must ~~supply us with all changed/updated login/password information. All content for our brand placed on the social media site must be pre-approved by us, in writing, and all social media must strictly comply with~~follow our policies ~~and procedures. We can alter, remove, or require that you alter or remove a post. You are not allowed to change passwords or login information without our prior written approval, and upon such change, you are required to immediately provide us with access, account information and any~~

~~other information related to any social media accounts and update that information with us immediately upon our request. You must sign the Digital and Social Media Authorization for Assignment as part~~ regarding use of ~~your franchise agreement. We reserve~~ the ~~right to restrict your use of~~internet and social media ~~in~~related to the ~~future~~brand and your franchise business [franchise agreement ~~paragraph~~section 10.6.~~1~~].

~~Software~~

~~We reserve the right to require you to use and pay for software including a designated customer relation management software in the operation of your franchise [franchise agreement paragraph 6.1.13(iv)].~~

Computer/Point of Sale System

We require the use of the point-of-sale (POS) system ~~that we will provide~~designated by us to ~~you~~be purchased or leased from our designated supplier. The POS system currently provides:

- Reporting of sales
- Time keeping for employees
- Tracking of costs and costs of goods sold
- A customer data base
- Inventory management
- Calendaring
- Web based ordering
- Gift card tracking
- Credit card payment
- Coupon tracking
- Management and purchase tracking

In addition, you are required to have a computer or tablet that meets our specifications and can interact with our required software. The estimated cost for the purchase of the and the computer is $1,500. If the POS system changes in the future, you will be required to purchase any updated equipment and/or software. We reserve the right to change the POS system at any time, and you are required to comply with and are solely responsible for the fees associated with such changes.

You must have an office computer that is capable of interfacing with our computer system and software. The maintenance, repair and upgrade of your system, hardware and software is at your expense. Neither we, nor an affiliate or third party has an obligation or is required to provide any repairs, maintenance, upgrades or updates of your hardware, software or other systems. There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the POS or computer system. If we adopt a different computer system, POS system, or other system in the future, you must adopt it at your expense in the time we require. We will have independent access to the information and data collected or generated by the POS and/or computer system. We can require you to obtain a static IP address from your internet provider. There is no contractual limitation on our rights to do so. You must keep these systems available for our access 24 hours per day, 7 days a week. All data collected or provided by you, downloaded from your POS system, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, and we have the right to use the data in any manner without compensation to you [franchise agreement paragraph 6.1.13].

Loyalty Programs

You are required to participate in the loyalty, gift card, discount, memberships, subscription, and coupon programs we develop. You are not allowed to implement any sort of loyalty, coupon, membership, gift card or subscription model without our prior written permission [franchise agreement paragraph 6.2.2(ii)].

Accounting

We currently require you to use QuickBooks® Online accounting system. There is a required monthly fee which you must timely pay directly to QuickBooks® [franchise agreement paragraph 6.1.13(ii)]. We also reserve the right to require you to follow our accounting procedures and line items, including standardized profit and loss statement templates, balance sheet templates, and charts of account as we may designate [franchise agreement section 5.5 and paragraph 6.1.13(ii)]. We do not provide any support for your POS, computer, hardware or software.

~~Miscellaneous~~

~~We may approve exceptions to or changes in the uniform standards for you or any other franchise that we believe are necessary or desirable based on particular circumstances. You have no right to object to such variances or to obtain the same variances [franchise agreement section 20.15].~~

Initial Training

We provide an initial training program. Your operating principal and at least one key employee must attend and successfully complete a management training program held at our training center in Twin Falls, Idaho. You must schedule training immediately after you sign a lease for your approved premises, and the training must be completed at least 6 weeks prior to the opening of your franchise business. The length of training depends on the prior experience of your attendees but should last approximately 3 to 6 days. The training program is held as needed but no less than once each year. Successful completion will be determined by our trainers. Failure to successfully complete training is a default of the franchise agreement [franchise agreement paragraph 6.1.4].

Your "operating principal" is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns any ownership and voting interests in the franchisee entity, has authority over all business decisions related to the franchise business, and has the power to bind the franchise business in all dealings with us. The operating principal must be in constant contact with us, and you must inform us immediately if the operating principal changes at any time. The operating principal must be involved with the business as described in Item 15 [franchise agreement article XXI].

We will provide the training without an additional fee to you for up to 4 total persons (including the operating principal and key employee); however, the cost of travel, meals, lodging and wages must be borne by you. The estimated cost of training is ~~listed in Items 5 and 7 and are estimated to be~~between $3,000 to $6,000 for 2 people [franchise agreement paragraph 6.1.4].

If you request training for additional key employees, training will be provided at a rate of $250 dollars per day per employee. Each person must attend the same training session and you must bear travel, lodging, meals and all other living costs and expenses and salaries for yourself as well as those of your employees and agents at the training session [franchise agreement paragraph 6.1.4].

In addition, we will visit your franchise business prior to opening to assist with Shoppe setup and design until set up is complete. We will use our opening checklist to determine when setup has been completed. Your Shoppe opening checklist should be completed prior to the arrival of our trainers. There is no charge for this training unless the Shoppe setup and design takes more than 32 hours (usually accomplished by two or three trainers working three 8-hour days). If more than 32 hours is required to set up and design your Shoppe, you must pay the trainers for the extra time spent at our then-current hourly rate, which is currently $30 per hour, per trainer. In addition, if You postpone or reschedule Your opening within 7 days of the scheduled assistance or do not meet and of the pre-opening requirements, You must pay us our $2,500 rescheduling fee [franchise agreement section 7.3 and paragraph 6.1.5].

Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

TRAINING PROGRAM[1]

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Merchandising School	Until training is understood and performed to corporate satisfaction by you (generally approximately 5 to 8 hours)		Twin Falls, Idaho or Franchised Location

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
• Vendor Introduction • Processing Goods • Merchandising • Employees • Customer Service • Signage & Branding • Financial Best Practices	1-4	1-4	Twin Falls, Idaho or Franchised Location
• Checkout Procedures • Ordering • Royalties & Reports • Special Programs • Annual Conferences • Opening Schedule	1-4	1-4	Twin Falls, Idaho or Franchised Location
• Shoppe Structure • Shoppe Atmosphere • Processing Goods • Merchandising • Damages • Re-Buy	1	5-9	Twin Falls, Idaho or Franchised Location
• Checkout Setup • POS System • Shoppe Policies • Frequently Asked Questions	1	5-9	Twin Falls, Idaho or Franchised Location
TOTAL:	9-18	12-26	

[1] The training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and personnel may vary based on the experience of those persons being trained.

All training is under the direction of Carie Kelsey, our Executive Vice President. Your in-Shoppe training may be conducted by the manager of a Shoppe ~~operated by us~~ or by other employees of Real Deals, Inc., who have had experience working in and operating a Real Deals® Shoppe. In addition to the below information, additional business experience for some of our trainers is listed in Item 2 above.

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
Carie Kelsey	Customer Service and Core Values	Since 2004	Since 2004	Since 2004
Fernando Brito	POS~~,~~ and IT	Since 2016	Since ~~2003~~2023	Since 2016
Michelle Coles	Product, Buying Product and Merchandising	Since 1991	Since 2017	Since 2017
Rochelle Zurcher	Marketing	Since 2009	Since 2024	Since 2009

You or your key employee must become proficient in the use of our required POS system and QuickBooks® Online, or the accounting and POS system we may require you to use.

Materials Provided at the Initial Training

We will provide access to our manuals during training and other handouts to facilitate training. All attendees at any training must sign a non-disclosure agreement acceptable to us before attending the training [franchise agreement paragraph 6.1.4(v)].

Replacement Training

After the initial training, any new operating principal, key employee, and manager must complete initial training prior to taking over as the operating principal, key employee or manager. Our fee for this additional training is currently $250 per person, per day. You will also be responsible to cover the travel, food, and lodging for your attendees or our representatives (as applicable) [franchise agreement paragraph 6.1.4(i)].

Annual Manager Training

At ~~Our~~our discretion, once each calendar year, at a time designated by ~~Us, Your Operating Principal~~us, your operating principal and ~~Your~~your designated manager will be obligated to meet with ~~Our~~our representatives at a location specified by ~~Us~~us, for the purpose of discussing and reviewing ~~Your~~your operations, status, and financial performance. If ~~We~~we, at ~~Our~~our discretion, determine that such a meeting is necessary, the ~~Fee~~fee will be the same as additional training [franchise agreement paragraph 6.1.4(ii)].

Additional In-Person Training

Depending on availability and advanced written notice, if you would like additional in-person training, we may provide this training to you. We can limit additional training to a certain number of days, attendees, and/or representatives at a time. Also, we can require your operating principal and/or other key personnel to attend additional trainings if you are in default, if you do not pass an inspection, or if we reasonably believe such training would be in the best interest of your franchise. You will be responsible for the costs of travel, food, lodging and compensation of your attendees or our representatives [franchise agreement paragraph 6.1.4(iii)].

Additional Training Implemented by You

You are also required to implement a training program on brand and trademark control for your employees that we may train you on and other training programs that we may specify.

At this time, other than listed above, no additional training program or refresher courses are required.

ITEM 12
TERRITORY

Exclusive Territory

You will receive an exclusive territory for your franchise business, meaning that we will not establish another franchise, company or affiliate owned Shoppe using the Real Deals on Home Décor® trademark within your territory so long as you are in strict compliance with your franchise agreement.

Grant of Territory

Under the franchise agreement, we will grant you the right to use the system and proprietary marks solely within a specific geographic area, the boundaries of which will be described in the franchise agreement.

Size of Your Territory

The specific size of your territory is set by us and is based upon the population density, the business base in the territory, whether your location is in a metropolitan or rural area, and other comparable factors. We consider an area to be rural if it has 2,000 people or less per square mile. The size of a franchise territory is usually 3 miles from the franchise ~~location~~premises in all directions with a minimum population base of approximately 50,000 people. The radius may be smaller based on population density, demographics and geographical boundaries. If your franchise business premises are

located within a shopping mall or similar facility with a captive market, your territory may be limited to the physical boundaries of the mall or facility. The written boundaries of your territory will be included in your franchise agreement. ~~We will not place another franchise or company owned unit within your territory during the term of the agreement.~~ In determining the total population within your territory, we generally consult the United States Census estimate, available via the Internet website located at census.gov/quickfacts.

Adjustment of Territory Boundaries

We reserve the right to adjust your territory boundaries if the population in your territory increases to a population of more than 50,000 people as measured from the date of your franchise agreement. In such case, we may readjust the boundaries of your territory, but any adjustment will not result in your territory having less than a population base of approximately 50,000 people. We also have the right to adjust the boundaries of your territory based on an inadvertent error in the creation of your territory, or in an effort to more accurately reflect the target number of population after your premises location has been selected and approved, or for other reasons that we may specify from time to time in the manuals. You do not have the right to adjust or move your territory.

Territory and Relocation Restrictions

You are restricted to operations from the approved franchised premises and may not, without our prior written approval, open or operate another outlet whether inside or outside the territory, or to provide mobile or off-site services. You do not have the automatic right to relocate your business, and we have no obligation to approve any request for relocation. You must obtain our prior written permission if you want to relocate your Shoppe and must demonstrate to us that you have the financial ability to relocate. We have the right to deny any relocation request. Any approved premises relocation must conform with our then-current standards for buildout, décor and furnishings. You must give ~~Us~~us at least 60 days' notice of ~~Your~~your intent to relocate. Approval to relocate is determined on a case-by-case basis and is based on factors such as your operational history, our then-current criteria used in approving a new franchisee's proposed site, and other factors that are relevant to us at the time of the relocation request. Your operating principal may be required to attend an initial training if you choose to move your Shoppe location. Prior to opening your new Shoppe location, you will be required to pay for 2 of our representatives to visit your Shoppe for up to 2 days. You are responsible for all fees associated with this visit, plus our expenses for transportation, food lodging, and other expenses of the representatives [franchise agreement paragraph 4.6].

Minimum Sales Requirement

Your franchise agreement is dependent upon achievement of a minimum sales volume, market penetration or other contingency. Specifically, starting in the second year of business, or the first full calendar year in which you are in business, you must achieve a minimum of $250,000 in annual gross sales. Failure to meet this requirement may result in the creation of a sales performance plan as determined in our sole discretion. If required by us, you will initiate the preparation of the performance plan and coordinate with us in developing a sales performance plan in which you will be given a period of time in which to increase sales to achieve this requirement or face possible termination of the franchise agreement. We also have the right to allow you to continue to operate your franchise under the terms of the franchise agreement while we attempt to broker the sale of your franchise. If we broker the sale your franchise, we will be entitled to a fee to compensate us for time and expenses to sell your franchise.

Your Rights to Use Channels of Distribution

~~We plan to create an online Shoppe for all Real Deals on Home Décor® sales will be made. This Online Shoppe will be managed by us.~~ You do not have the right to sell products or services through other channels of distribution, including the Internet, apps, or social media~~. However, if you remain in good standing and compliant with the system, until the Online Shoppe is available to the public for online purchases, you are allowed to operate an online Shoppe for sales of Real Deals on Home Décor® authorized products and merchandise. To maintain your right to have an online Shoppe~~ without receiving our prior written permission, which can be withheld by us for any reason. If approved, You may sell through an online store. You must receive our prior written permission and you must use our template and can sell only on our approved platform(s). We have the right to deny your request to sell online. You must comply with all of our e-commerce policies for online store sales. We currently own all

online store pages and site and will have access to your online store... Upon our request, you agree to provide us with a profit and loss statement that includes all online sales not later than the 10th day of each month for the prior month's sales. In addition, upon our request, you are required to provide us with all login and password information for your online sales platforms and if we do not already have it, to grant us administrator access. ~~You will be required to completely stop all online sales within 60 calendar days of our written notice to you that the Online Shoppe is operational.~~

Advertising Within and Outside the Territory

You must actively market, promote, develop and sell your channels of distribution, including the Internet, via apps or social media sites. Targeted advertising and marketing (including radio, tv, print, mailing) outside your territory is strictly prohibited unless you are emailing a customer that has been to your Shoppe and provided their contact information. You have the right to sell online only via approved sites and apps.

Options to Acquire Additional Franchises

You do not have the right or option to acquire additional franchises.

Our Reservation of Rights in Your Territory

We or our affiliates, either personally or through agents and representatives, exclusively reserve the right to sell, market and distribute our products and services using our trademark or other marks through other marketing and distribution channels, including the Internet, via apps, television, radio, social media, catalog sales, and other direct sales, direct mail, telemarketing, infomercials, general media marketing, and to co-brand our products with others. We do not pay you for soliciting or accepting orders or selling any products or services through other channels inside your territory. In addition, we reserve the right to establish other franchises or company-owned outlets or other channels of distribution selling or leasing similar products or services under a different trademark.

Our Previous Activities in Your Territory

In the past, we or an affiliate, have used the following distribution channels to sell and distribute products and services in your territory under the Real Deals on Home Décor® brand: websites and social media.

Competition by Us Under Different Trademarks

Neither we, nor an affiliate, operates, franchises, or has plans to operate or franchise a business that sells or will sell goods or services similar to those sold in your franchise using a different trademark~~, but we reserve the right to do so in the future.~~. We or our affiliate either personally or through agents and representatives also reserve the right to sell, market and distribute all Real Deals on Home Décor® products and services using our trademarks or other marks or sell, market and distribute other products and services using other trademarks or brands we control through alternate channels of distribution including by direct mail, telemarketing, infomercials, the Internet, general media marketing, retail units and national business accounts both within and without your development area.

ITEM 13
TRADEMARKS

Non-Exclusive Grant of the Trademark

We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise. You may also use future trademarks obtained by us in the operation of your franchise business as we designate. You will not at any time acquire any rights in the trademarks. By trademark we mean our trade names, trademarks, service marks, commercial symbols and logos.

Registered Trademarks

The following trademarks, service marks, trade names, logo types or other commercial symbols listed below are registered or filed for registration with the United States Patent and Trademark Office on the Principal Register. All required affidavits and renewals have been filed.

Registration/	Mark	Registry	Registration/Filing	Status

Serial Number			Date	
3,462,369	REAL DEALS ON HOME DÉCOR® (word mark)	Principal	July 8, 2008	Registered.
3,888,674	REAL DEALS ON HOME DÉCOR® (word mark)	Principal	December 14, 2010	Registered.
5,854,652	REAL DEALS (composite mark)	Principal	September 10, 2019	Registered.
5,854,651	(composite mark)	Principal	September 10, 2019	Registered.

Use of the Trademarks

~~You must use all trademarks in strict compliance with our operations manual and the system.~~ You must promptly modify or discontinue the use of a trademark at your cost, if we modify or discontinue it, and you have no rights to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark~~. You have no rights under the franchise agreement if we modify or discontinue the trademarks. You cannot make application for registration for any of our marks, or for any derivation of our marks. You cannot use the name "Home Décor" as part of your corporate name, but you must use the name Real Deals on Home Décor® as part of an assumed business name or dba ("doing business as") registered with your applicable legal governmental authority. This use is non-exclusive. You cannot make application for registration or other protection of the Real Deals on Home Décor® name, derivatives or any other trademark used by us~~, or we require you to use a different trademark.

~~You may only use the trademarks with the letters "™", "℠" or "®" as appropriate. You cannot use any trademark in the sale of any unauthorized product or service. You cannot use any other trademark as part of your franchise business that is not affiliated with us or approved by us. You must follow all security procedures required by us to maintain the secrecy of proprietary information.~~

Government Determinations Regarding the Trademarks

There are presently no effective determinations by the United States Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of any state or any court nor pending interference, opposition or cancellation proceeding, or pending material litigation involving the trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks.

Superior Rights and Infringing Uses

We are unaware of any superior rights in or infringing uses of the trademarks that could materially affect your use of the trademarks in your territory.

Protection Against Infringement

You are obligated to immediately notify us when you learn about an infringement of or challenge to your use of our trademark. We have the right to control any administrative proceedings or litigation involving the trademarks, and you must proceed in strict coordination and oversight by us. We will have the discretion to take the action we deem appropriate. The franchise agreement does not require us to take any affirmative action when we are notified of such uses or claims. We are not obligated to protect any rights that you have to use of the trademarks, or to protect you against claims of infringement or unfair competition. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition~~; however, we have the right to control any administrative proceedings or litigation involving the trademark and you will proceed in strict coordination and oversight by us.~~. You may not act contrary to our rights in the marks. We are not required to defend or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the licensed trademarks.

You may not contest, directly or indirectly, our ~~right and~~rights or interest in our names or marks, trade secrets, methods, and procedures that are part of our business. Any goodwill associated with the trademarks or system belongs to us.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

You do not receive the right to use an item covered by a patent and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

Copyrights

We have not registered our manuals or logos with the United States Copyright Office, but we claim a copyright and consider the information proprietary, and we claim protected trade secrets and copyrights in parts of our franchise system.

We claim other copyrights in sales literature and marketing materials that we, or our franchisees, develop for our use and for use by our franchisees and your use of these materials will be limited to the uses required or allowed by us. We or an affiliate may develop software or apps. If so, we claim copyright protection on all such items.

You must modify or discontinue the use of any copyright, at your cost, if we modify or discontinue it, at our reasonable discretion.

Proprietary Information

You can use the proprietary information in our manuals but only in connection with the system and only during the term of your franchise agreement. The manuals may not be copied. The manuals must be returned to us or permanently deleted by you upon termination, transfer or non-renewal of your franchise agreement. Portions of the "system," including certain processes, products, customer lists, etc., are a trade secret or confidential and proprietary to us. You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals and any other proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. If applicable, we have the right to control any litigation. We are not required to defend or indemnify you for any damages from any proceeding based on patents or copyright. You must modify or discontinue the use of any patent or copyright, at your cost, if we modify or discontinue it, in our reasonable discretion.

With regards to our proprietary information and or our system the franchise agreement also provides that you will: (a) strictly follow all security procedures required by us, (b) disclose this information to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

Protection Against Infringement

You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals, ~~and~~or challenge to your use of any of our other proprietary information. ~~We are~~ The franchise agreement does not ~~obligated~~require us to take any action ~~but~~when we are notified of such uses or claims but we will respond to this information as we believe appropriate. We have the right to control any administrative proceedings or litigation. We are not required to defend or indemnify you for any damages from any proceeding based on patents or copyright. You must modify or discontinue the use of any patent or copyright, at your cost, if we modify or discontinue it. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition; however, we have the right to control any administrative proceedings or litigation involving the patents or copyrights, and you will proceed in strict coordination and oversight by us. You

may not act contrary to our rights in the patents or copyrights.

~~Superior Prior Rights~~Government Determinations Regarding Patents and Copyrights

There are presently no effective determinations by the United States Patent and Trademark Office, the United States Copyright Office, or any court regarding a patent or copyright. There are no agreements currently in effect that significantly limit our rights to use or license the use of any patent or copyright.

Infringing Uses

~~We are unaware of any superior rights or infringing uses~~There are presently no known infringements of the copyrights or patents ~~that could materially affect your use of the copyrights or patents in your territory.~~.

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

On-Premises Supervision

For the first full year of operations, we require full time on-premises operation and supervision by your operating principal~~.~~, who must be your principal point of contact with us. We recommend personal participation and on-premises supervision by your operating principal after the first year, but it is not required. If your operating principal will not have ongoing on-premises supervision and operation after the first year of operations, the franchise business must be managed with full time on-premises management by a successfully trained key employee. Either the operating principal or a trained key manager/employee must be on-site at all times during regular business hours.

Although we do not require your operating principal to be involved in the day-to-day on-premises management after the first year ~~of operations~~, at all times during the term of your franchise agreement, your operating principal is required to participate in your franchise business as follows: (i) must be directly responsible for overseeing all accounting, reporting and bookkeeping; (ii) must attend and complete all training and retraining courses required by us; (iii) must attend any annual or special meetings of franchisees required by us; (iv) must be directly involved with site selection, construction, remodeling and all financial components of the franchise business; ~~and (v) operating principal or your trained and designated manager/key employee must~~(v) be directly involved in all personnel decisions affecting the franchise business~~.~~; and (vi) conduct frequent inspections of the franchise business operations to ensure the highest standards of professionalism, cleanliness and a general pleasant appearance, and compliance with our approved methods.

Unless your operating principal ~~will act~~acts as the full-time manager of the franchise business, your operating principal is not required to work a certain or minimum number of hours. However, your operating principal must work sufficient hours to operate your franchise or supervise your managers so that your franchise business is operating at maximum capacity and efficiency. ~~Your operating principal must also conduct frequent inspections of the franchise business to ensure the highest standards of professionalism, cleanliness and a general pleasant appearance, and compliance with our approved methods.~~

Who Must Attend and Successfully Complete Initial Training

Your operating principal and your key employee(s) must attend and successfully complete our initial training program.

Restrictions on the On-Premises Supervisor

We do not put a limitation on whom you can hire as your key employee/manager. Your key employee/manager does not need to have an ownership interest in your franchise business.

No Competing Enterprise

Neither you, your operating principal, nor your management employees can have an interest in or business relationship with any competing business during the term of the franchise agreement and

must keep free from activities that would be detrimental to or interfere with the operation of your franchise business or detrimental to the franchise system. You, your partners, directors, members, shareholders, and operating principal will be required to sign our standard brand protection agreement for principals agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17. Your key manager/employees will also be required to sign a brand protection agreement. We provide you this form, but it is your responsibility to conform it to the laws and regulations of your state [franchise agreement, exhibit A-5].

Required Operations

You must be open at least Thursday through Saturday of each week. However, you are allowed to open for 4, 5 or 6 days so long as you remain open Thursday through Saturday. You must always be open for consecutive days, and one day must be a Saturday. You cannot modify the number of days you are open without our prior written consent. In no event may you be open on Sunday. The Shoppe must be open for a minimum of 7 hours per day with a recommendation of being open from at least 10:00 am to 6:00 pm each day you are open, throughout the year (unless waived or otherwise agreed in writing by us).

Personal Guarantees

Any individual who owns an interest in the franchise business must personally guarantee the performance of all your obligations under the franchise agreement and agree to be personally bound by, and liable for, the breach of every provision of the franchise agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must provide and sell those products and services specified and approved by us in writing. We do not currently have any restrictions or conditions that limit access to customers to whom you may sell goods or services for in-person sales, but for online sales, you must comply with our policies regarding online sales to customers outside your territory. –No service or product may be added to, altered, discontinued, or included or performed by your franchise business unless it is first approved by us in writing. You must offer all services and products required by us. We reserve the right to add, modify or delete products, items and services that you must offer. There are no limits on our right to do so. You must strictly follow our policies, procedures, specifications, methods and techniques concerning all our services and products.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 2.1	The term is 5 years commencing on the date of the franchise agreement.
b.	Renewal or extension of the term	Section 2.2	If you are in good standing at the end of the franchise term, you can renew for a successor franchise for additional terms of up to 10 years as agreed to by you and us. Your successor agreement may also provide an option to enter into a subsequent successor franchise agreement.

	Provision	Section in Franchise Agreement	Summary
c.	Requirements for franchisee to renew or extend	Section 2.2	In order to renew, you must, among other things, not be in default, pay a successor franchise fee, modernize your franchise business to the then-current standards, and sign ~~the~~our then-current franchise agreement. When renewing, you may be required to sign a contract with materially different terms and conditions than your original contract. You are required to give us notice of your intent to renew between 6 and 12 months prior to the expiration of your franchise agreement (subject to state law). If at the time for renewal we are not offering franchises in the ~~US~~U.S. or cannot by law offer a renewal franchise to you, your existing franchise agreement will be extended for a one-year period. If, at the end of the one-year extension we still are not offering or cannot offer a renewal franchise to you, the franchise agreement will automatically expire, and you will not have any further renewal or extension rights.
d.	Termination by franchisee	Section 11.4	You may not terminate the agreement. However, some states may allow you to terminate as permitted by state law.
e.	Termination by franchisor without cause	Section 11.1	We must have cause to terminate the franchise agreement.
f.	Termination by franchisor with cause	Section 11.1	We can terminate if you materially breach and fail to cure. There are certain breaches for which we can terminate without giving you an opportunity to cure (see (h) below).
g.	"Cause" defined - curable defaults	Paragraph 11.1 N-~~V~~W	You have between 24 hours ~~to~~and 30 days to cure certain material defaults of the franchise agreement.
h.	"Cause" defined – non-curable defaults	Paragraph 11.1 A-M	Non-curable defaults include conviction of a felony, fraud, repeated defaults even if cured, harm or threat of harm to the public, abandonment, trademark misuse, etc.
i.	Franchisee's obligations on termination/ non-renewal	Sections 12.1	Obligations include complete de-identification, payment of amounts due, and compliance with the brand protection agreement, etc., (see also (r) below).
j.	Assignment of contract by franchisor	Section 14.1	No restrictions on our right to assign.
k.	"Transfer" by–franchisee - defined	Section 14.2	The definition of transfer by you includes the assignment and transfer of contracts, security interests, transfer of ownership interest, the sale of substantially all your assets, etc.
l.	Franchisor approval of transfer by franchisee	Section 14.2	We have the right to approve all transfers but will not unreasonably withhold approval.

	Provision	Section in Franchise Agreement	Summary
m.	Conditions for franchisor approval of transfer	Sections 14.3 – 14.8	Conditions to transfer include that you are not in default, all fees are current, new franchisee qualifies, transfer and training fees are paid, purchase agreement is approved, training for new transferee arranged, new transferee signs the then-current franchise agreement, a release is signed by you. You must also coordinate with the transferee to ensure coverage at the location during the transferee's initial training. These conditions are subject to state law. ~~(See~~ (see state specific addenda).
n.	Franchisor's right of first refusal to acquire franchisee's business	Sections 14.9	We can match any offer for your franchise business within 60 days of written notice to us of offer.
o.	Franchisor's option to purchase franchisees franchise business	Sections 13.1	Upon termination or expiration of the franchise agreement we can elect to buy all or part of your inventory and other assets at cost within 60 days. Additionally, if we receive an offer to acquire a majority of the franchises or an offer to purchase a majority of our assets or stock, or to merge or go public or similar transactions, we have the option to purchase all your rights and interests in and under the franchise agreement and your franchise business at fair market value.
p.	Death or disability of franchisee	Section 14.10	Within 180 days of death or disability of your majority owner or operating principal, your personal representative must be approved, and a new manager must be trained, if applicable, or franchise must be assigned to an approved buyer. We have the right to operate your franchise business until a trained manager is in place for which fees will apply.
q.	Non-competition covenants during the term of the franchise	Section 16.1	No involvement in a competing business anywhere (subject to state law).

	Provision	Section in Franchise Agreement	Summary
r.	Non-competition covenants after the franchise is terminated, transferred or expires	Section 16.3 – 16.4	No competing business for 3 years within your territory and within 20 miles of your franchise territory location or within 10 miles of any other Real Deals on Home Décor® franchise or company or affiliate owned business (including after assignment). If you compete within the restrictive period then this non-compete period will be tolled and extended for the period of your competition (subject to state law). For a period of 3 years from termination, transfer, or expiration of your franchise agreement, you may not solicit to or on behalf of a competing business any former customer of your franchise business that you serviced as a Home Décor® franchisee, or customer of ours or of an affiliate or of another Home Décor® with whom you interacted during the term of the franchise Agreement.
s.	Modification of the agreement	Section 20.11	Modifications must be made in writing and signed by both parties, but policies and procedures and the manuals are subject to change in us.
t.	Integration / merger clause	Section 20.10	Only the terms of the franchise agreements are binding including incorporated documents (subject to state law). No provision in the franchise agreement is intended to disclaim the representations made in this ~~Franchise Disclosure Document.~~franchise disclosure document. Any representations or promises made outside of the ~~Franchise Disclosure Document~~franchise disclosure document and other agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, all disputes there must be a face-to-face meeting, mediation and then arbitration (see state specific addenda) (subject to applicable state law).
v.	Choice of forum	Sections 17.2 and 19.2	All dispute resolution must be held in Salt Lake City, Utah or the county where our then-current headquarters is located. (Subject to state law).
w.	Choice of Law	Sections 19.1 and 19.5	Idaho law, the Federal Arbitration Act, and the United States Trademark Act apply. (Subject to applicable state law).

States may have statutes or court decisions which supersede the franchise agreement in your relationship with the franchisor including areas of termination and renewal of your franchise. (See state specific addenda).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

~~2023~~2024 Franchise Shoppes

The below table is an historic performance representation sets forth average weekly sales for all ~~46~~45 of our~~-~~ existing Real Deals on Home Décor® franchises in the United States that were open and operating as of December 31, ~~2023. Four~~2024. We did not include our Canadian franchisee. 3 of the ~~47~~45 are new franchisees that opened in 2024~~2023~~, and ~~two~~four are transfer franchisees that closed for a part of 2024~~2023~~ and were reopened by December 31, 2024~~2023~~. Each Shoppe is open from 2 days to 6 days a week.

AVERAGE & MEDIAN GROSS WEEKLY SALES OF SHOPPES OPEN FOR THE FULL 2024~~2023~~ CALENDAR YEAR

Number of Shoppes Used	Average Weekly Sales	Median Weekly Sales	Percent of applicable Shoppes that attained or surpassed the stated result
~~46~~45	$~~10,235.79~~9581.91	$~~8,818.65~~6480.90	~~34~~36%

High Weekly Sales: $~~32,686.01~~93,405; Low Weekly Sales $~~2,982.82~~ 339.40

Notes

1. "Sales" means the total ~~dollar amount~~ of all sales ~~generated by an outlet for a given period, including payment for any~~ of all goods and services ~~or products~~ sold, ~~whether for cash or credit and~~ traded, bartered, or rendered by you and income of every kind and nature including the value of ~~any services bartered or done on~~ a trade~~. Gross sales do not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of~~ or other bartering, arising from your franchise business~~, or (iv) sales~~ and tangible property of ~~prepaid cards~~every kind sold by you during the term of this agreement. Gross sales also includes insurance proceeds and/or condemnation awards for loss of sales, profits, or business. "Gross Sales" excludes bona fide credits or ~~similar products (but~~ returns and excludes amounts paid by you for sales or use taxes on the ~~redemption~~sale of any ~~such card~~products or ~~product will be included in gross sales).~~services.

2. "Average" means the sum of all data points in a set, divided by the number of data points in that set.

3. "Average annual sales" means the sum of the gross sales of the locations listed in an applicable group divided by the number of locations in that group.

4. "Median" means the data point that is in the center of all data points used. That number is

found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the 2 numbers in the middle, adding them together, and dividing by 2.

5. The financial performance representations do not reflect the costs or expenses that must be deducted from the gross revenue or 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 this disclosure document, may be one source of this information.

A Real Deals on Home Décor® franchise business' actual operating costs may vary widely, which can impact gross sales. Numerous factors will affect a particular Real Deals on Home Décor® business's sales, including goodwill and name recognition in the market; length of time in business; nearby businesses; personnel costs; rent and occupancy expenses; nearby working and living population; traffic count; site accessibility and visibility; the local market and competition from other retail businesses offering furniture, home décor and clothing/accessory boutique items; general economic conditions; local factors affecting goods and supply costs; the franchisee's management skill, experience, business acumen, and the ability to promote and market its Real Deals on Home Décor® business effectively in the local market; service levels and customer satisfaction; and the degree of adherence to our methods and procedures in operating the Real Deals on Home Décor® business. The market in which you are interested in developing a Real Deals on Home Décor® business may have higher population densities, higher or lower labor costs, and higher or lower rent expenses than other markets across the United States or Canada.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

This financial performance representation has been prepared based on information as reported by the individual franchises. The numbers they reported to us were used for determining royalty payments due to us. The basis of accounting used by the franchisees is determined by the individual franchisee, but generally the franchisees use cash basis accounting. The figures in the reported to us have not been audited and we have not undertaken to otherwise independently verify the accuracy of such information. You must estimate your own costs and expenses including, but not limited to, inventory, marketing, insurance, royalties, rent, wages, payroll taxes and professional fees. You should conduct an independent investigation of the costs and expenses you will incur in operating your Real Deals on Home Décor® business.

The information in this Item 19 was taken from financial statements from our company owned locations and our franchisees. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Real Deals, Inc. does 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 Real Deals, Inc., 1411 E. 4400 N., Buhl, Idaho 83316, and (208) 543-6300, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years ~~2021~~2022 to 2024~~2023~~

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised[1]	20222021	4550	5044	+5-6
	20222023	5044	4446	-6+2
	20242023	4446	46	+20
Company Owned	20222021	1	1	+0
	20222023	1	1	+0
	20242023	10	0	+0
Total Outlets	20222021	4651	5144	+5-7
	20222023	5144	4446	-7+2
	20232024	4446	46	+20

[1] These totals include our Canadian franchises (see table 3 below).

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 20212022 to 20242023

State	Year	Number of Transfers
Arizona	2022	0
	2023	0
Nevada	20212024	1
Oregon	2022	0
	2023	0
	2024	1
Tennessee	20222021	0
	2022	0
	2023	1
Utah	20212024	0
Utah	2022	1
	2023	0
	2024	0
Virginia	20222021	0
	2022	0
	2023	1
	2024	0
Total	20222021	1
	2022	1
	2023	2
	2024	2

Table No. 3
Status of Franchised Outlets
For Years ~~2021~~2022 to ~~2024~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Arizona	2022~~2021~~	0	0	0	0	0	0	0
	~~2022~~2023	0	~~0~~1	0	0	0	0	~~0~~1
	~~2023~~2024	~~0~~1	~~1~~0	0	0	0	0	1
~~Colorado[1]~~Colorado	2022~~2021~~	~~2~~1	0	0	0	0	~~1~~0	1
	2023~~2022~~	1	0	0	0	0	0	1
	~~2023~~2024	1	0	0	0	0	0	1
~~Idaho[2]~~Idaho	2022~~2021~~	7	0	0	0	0	0	7
	2023~~2022~~	7	~~0~~1	0	0	0	~~0~~1	7
	~~2023~~2024	7	~~1~~0	0	0	0	~~1~~0	7
Iowa	2022~~2021~~	~~5~~8	~~3~~0	0	0	0	~~0~~1	~~8~~7
	2023~~2022~~	~~8~~7	0	0	0	0	~~1~~0	7
	~~2023~~2024	7	0	0	0	0	0	7
Kentucky	2022~~2021~~	0	0	0	0	0	0	0
	2023~~2022~~	0	~~0~~1	0	0	0	0	~~0~~1
	~~2023~~2024	~~0~~1	~~1~~0	0	0	0	0	1
Minnesota	2022~~2021~~	2	0	0	0	0	0	2
	~~2022~~2023	2	0	0	0	0	~~0~~1	~~2~~1
	~~2023~~2024	~~2~~1	0	0	0	0	~~1~~0	1
Missouri	2022~~2021~~	0	0	0	0	0	0	0
	2023~~2022~~	0	~~0~~1	0	0	0	0	~~0~~1
	~~2023~~2024	~~0~~1	~~1~~0	0	0	0	0	1
Montana	2022~~2021~~	3	0	0	0	0	0	3
	2023~~2022~~	3	~~0~~1	0	0	0	~~0~~2	~~3~~2
	~~2023~~2024	~~3~~2	~~1~~0	0	0	0	~~2~~0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Nebraska	2022~~2021~~	2	0	0	0	0	~~0~~1	~~2~~1
	2023~~2022~~	~~2~~1	0	0	0	0	~~1~~0	1
	~~2023~~2024	1	0	0	0	0	0	1
Nevada~~Nevada~~[2]	2022~~2021~~	2	0	0	0	0	0	2
	2023~~2022~~	2	0	0	0	0	~~0~~1	~~2~~1
	~~2023~~2024	~~2~~1	0	0	0	0	~~1~~0	1
North Dakota	2022~~2021~~	3	0	0	0	0	0	3
	2023~~2022~~	3	0	0	0	0	0	3
	~~2023~~2024	3	0	0	0	0	~~0~~1	~~3~~2
Oklahoma	2022~~2021~~	0	0	0	0	0	0	0
	2023~~2022~~	0	~~0~~1	0	0	0	0	~~0~~1
	~~2023~~2024	~~0~~1	~~1~~0	0	0	0	0	1
Oregon	2022~~2021~~	~~7~~8	~~1~~0	0	0	0	~~0~~1	~~8~~7
	2023~~2022~~	~~8~~7	0	0	0	0	1	~~7~~6
	~~2023~~2024	~~7~~6	0	0	0	0	~~1~~0	6
South Dakota	2022~~2021~~	2	0	0	0	0	0	2
	2023~~2022~~	2	0	0	0	0	0	2
	~~2023~~2024	2	~~0~~1	0	0	0	~~0~~1	2
Tennessee	2022~~2021~~	1	0	0	0	0	0	1
	2023~~2022~~	1	0	0	0	0	0	1
	~~2023~~2024	1	0	0	0	0	0	1
Texas	2022~~2021~~	~~1~~2	~~1~~0	0	0	0	~~0~~1	~~2~~1
	2023~~2022~~	~~2~~1	0	0	0	0	~~1~~0	1
	~~2023~~2024	1	0	0	0	0	0	1
Utah	2022~~2021~~	2	0	0	0	0	0	2
	2023~~2022~~	2	~~0~~2	0	0	0	0	~~2~~4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
	20232024	24	21	0	0	0	0	45
Virginia	20222021	1	0	0	0	0	0	1
	20232022	1	0	0	0	0	0	1
	20232024	1	0	0	0	0	0	1
Washington	20222021	1	0	0	0	0	0	1
	20232022	1	0	0	0	0	01	10
	20232024	10	0	0	0	0	10	0
Wisconsin	20212022	1	0	0	0	0	0	1
	20232022	1	0	0	0	0	0	1
	20232024	1	0	0	0	0	0	1
Wyoming	20212022	2	0	0	0	0	0	2
	20232022	2	0	0	0	0	0	2
	20232024	2	0	0	0	0	0	2
Canada	20212022	2	0	0	0	0	01	21
	20232022	21	0	0	0	0	0	1
	20232024	1	0	0	0	0	0	1
Total	20212022	4550	50	0	0	0	06	5044
	20232022	5044	08	0	0	0	6	4446
	20232024	4446	82	0	0	0	62	46

Table No. 4
Status of Company-Owned Outlets
For Years 20212022 to 20232024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Idaho	20212022	1	0	0	0	01	10
	20232022	10	0	0	0	10	0
	20232024	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total	~~2021~~2022	1	0	0	0	~~0~~1	~~1~~0
	2023~~2022~~	~~1~~0	0	0	0	~~1~~0	0
	~~2023~~2024	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, ~~2023~~2024

State	Franchise Agreements Signed but Outlet not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected Company-Owned Outlet in the Next Fiscal Year
~~Alabama~~	~~0~~	~~0-1~~	~~0~~
~~Arizona~~	~~0~~	~~0-1~~	~~0~~
~~Idaho~~	~~0~~	~~0-1~~	~~0~~
Iowa	0	0-1	0
Michigan	0	0-1	0
British Columbia, Canada	0	0-1	0
Total	0	0-~~4~~3	0

List of Franchisees

Exhibit "C" contains a list of our current franchisees. Exhibit "C" also contains a list of franchisees who have had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date. If you invest in this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Disclosure of Franchisee Information

If you buy this franchise, your contact information and financial information may be disclosed in our disclosure document.

Sale of Previously Owned Outlet

We are not selling a previously owned franchised outlet now under our control.

Confidentiality Agreements

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Real Deals on Home Décor® franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

Franchisee Organizations

We do not know of any trademark specific franchisee organization associated with our system that is required to be disclosed in this item.

ITEM 21
FINANCIAL STATEMENTS

Our fiscal year ends on December 31st of each year. Attached as Exhibit "B" are our audited financial statements dated December 31, ~~2023~~2024, December 31, 2023~~2022~~, and December 31, ~~2021 and our unaudited financial statements dated August 31, 2024~~2022.

ITEM 22
CONTRACTS

We have attached the following: as Exhibit "A," the Franchise Agreement and its Exhibits; including Exhibit "A-10" as the Franchisee's Report; and as Exhibit "G," the Release Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

ITEM 23
RECEIPT

The last 2 pages of this disclosure document contain a receipt, in duplicate. The receipt is a detachable acknowledgment that you have received this Franchise Disclosure Document. Both receipts should be signed and dated by you. One copy should be returned to us, and you should keep the other for your records. If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to us at 1411 E. 4400 N., Buhl, Idaho 83316, or by emailing it to us at legal@realdeals.net.

ADDENDA TO THE REAL DEALS ON HOME DÉCOR® FDD
STATE REGULATIONS

SCHEDULE 1
TO THE FDD

ADDENDUM TO THE REAL DEALS ON HOME DÉCOR® FDD
FOR THE STATE OF ILLINOIS

Illinois Law governs the franchise agreement(s).

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

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

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

FRANCHISEE:	**FRANCHISOR:** **Real Deals, Inc.**
_____	_____
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: _____
Title: _____	Title: _____

SCHEDULE 2
TO THE FDD

ADDENDUM TO THE REAL DEALS ON HOME DÉCOR® FDD
FOR THE STATE OF INDIANA

Notwithstanding anything to the contrary set forth in the disclosure document, the following provisions shall apply to all franchises offered and sold in the State of Indiana:

1. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall apply to the franchise agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the disclosure document and franchise agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

> "Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.
>
> At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee's right to a trial on any of the above matters."

3. No release language set forth in the disclosure document or franchise agreement, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. To the extent required by the franchise laws of the State of Indiana, the franchise agreement will be construed in accordance with the franchise laws of the State of Indiana.

5. The provisions of the franchise agreement pertaining to litigation jurisdiction and venue shall be amended to be within the scope of the requirements of the Indiana Franchise laws.

SCHEDULE 3
TO THE FDD

ADDENDUM TO THE REAL DEALS ON HOME DÉCOR® FDD
FOR THE STATE OF MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

   > Minnesota statute ' 80C.21 and Minnesota 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, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. ' 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.

5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.

6. Any limitation of claims must comply with Minn. Stat. ' 80C.17, subdivision 5.

7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of $30 on service charges.

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.

9. Items 5 and 7 of the Disclosure Document is amended to add the following: "Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the Franchise Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business.."

_____

Franchisee (Signature)

SCHEDULE 4
TO THE FDD

ADDENDUM TO THE REAL DEALS ON HOME DÉCOR® FDD
FOR THE STATE OF NORTH DAKOTA

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

Item 5 of the Disclosure Document is amended to add the following:
"Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until such time as the franchisor has fulfilled its initial obligations owed to the franchisee under the franchise agreement and the franchisee has commenced doing business pursuant to the franchise agreement."

Item 17 of the Disclosure Document is amended as follows:

- No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law Section 51-19-09.
- In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
- The statute of limitations under North Dakota Law will apply.
- Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- In the event of a conflict of laws, North Dakota Law will control.
- Franchisee may not assent to a waiver of rights to a jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.
- No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise agreement 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.

SCHEDULE 5
TO THE FDD

ADDENDUM TO THE REAL DEALS ON HOME DÉCOR® FDD
FOR THE STATE OF VIRGINIA

By statute under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right give to him by any provision contained in the franchise. Accordingly, the Division requests that the franchisor add a Virginia Addendum to the FDD containing the following statements:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

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

The following statements are added to Item 17.h:

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and area developer 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.
>
> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the franchise agreement and area developer agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

SCHEDULE 6
TO THE FDD

WASHINGTON ADDENDUM TO THE ~~REAL DEALS ON HOME DÉCOR® FDD FOR~~FRANCHISE DISCLOSURE DOCUMENT, THE ~~STATE OF WASHINGTON~~ FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

In February 2019, Real Deals, Inc. entered into an Assurance of Discontinuance ("AOD") with the State of Washington. The AOD provides that Real Deals, Inc. will not engage in employee anti-poaching between its franchisees or between franchisees and the franchisor.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, ~~Chapter~~chapter 19.100 RCW will prevail.~~-~~

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may~~that supersede the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the ~~areas of termination~~Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and ~~renewal of your franchise.~~

/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~-~~

4. General Release. A release or waiver of rights ~~executed by a~~in the franchise agreement or related agreements purporting to bind the franchisee ~~may not include rights~~to waive compliance with any provision under the Washington Franchise Investment Protection Act or any ~~rule~~rules or ~~order~~orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel~~.~~, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions ~~such as those which~~contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.~~-~~

~~Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting the transfer.~~

~~———~~7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.~~-~~

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~-~~

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Article XIII of the franchise agreement will be interpreted in accordance with RCW 19.100.180.

20. Section 14.12 of the franchise agreement empowers the franchisor to purchase the franchise before the termination of the franchise agreement. This is inconsistent with RCW 19.100.180(2)(j) and does not apply to Washington franchisees.

21. The time limitations to initiate a claim as set forth in Section 17.2.3(iii) of the franchise agreement are hereby amended and extended to the time limits allowed under RCW 19.100.

22. Section 17.2.3(viii) of the franchise agreement is here by amended as follows:

> Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced (subject to state law).

~~Section 20.14 of the franchise agreement is not enforceable in Washington.~~

~~The Statement of Prospective Franchisee is amended in part to state that claims arising from the Franchise Investment Protection Act of Washington, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220, are not waived.~~

23. Paragraph 19.1 of the franchise agreement is amended to remove the following language, "but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect."

24. Paragraph 20.10 of the franchise agreement is amended to remove the following language, "You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us."

25. Paragraph 20.11 of the franchise agreement is amended to clarify that for Washington franchisees, the Washington Addendum applies even if the Washington Addendum is not executed or not signed by the franchisor, franchisee, or both.

26. Section 20.14, 201.18 and 20.22 of the franchise agreement do not apply in Washington.

27. Section 2 of the Form General Release Agreement (Exhibit "G" to the franchise disclosure document) is hereby omitted and not applicable in the state of Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this ~~_____.~~ _____ day of _____ 20___.

~~FRANCHISOR~~ ~~FRANCHISEE~~

FRANCHISOR:
Real Deals, Inc.

By: _____

FRANCHISEE:
_____

By: _____

_____(Signature)

Name: Nate Kelsey

Title: President & CEO

_____(Signature)

Name: _____

Title: _____

INDIVIDUALS:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

SCHEDULE 7
TO THE FDD

ADDENDUM TO THE REAL DEALS ON HOME DÉCOR® FDD
FOR THE STATE OF WISCONSIN

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.

2. The following shall apply to Franchise Agreements in the State of Wisconsin:

   a. The Wisconsin Fair Dealership Act, Wisconsin Statues, Chapter 135 (the "Act"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

   b. The Act's requirements, including that in certain circumstances a Franchisee receive ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

EXHIBIT "A"
TO THE FDD

FRANCHISE AGREEMENT

REAL DEALS ON HOME DÉCOR®

FRANCHISE AGREEMENT

By and Between

Real Deals, Inc.

and

_____

(Franchisee)

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This Agreement and the Schedules and Exhibits attached hereto are subject to the copyright of The Franchise & Business Law Group, LLC

REAL DEALS ON HOME DÉCOR®
FRANCHISE AGREEMENT

TABLE OF CONTENTS

ARTICLE **PAGE**

~~I Award of Franchise ..... 3~~
~~II Term and Successor Franchise ..... 4~~
~~III Intellectual Property ..... 6~~
~~IV Construction, Commencing Opertations and Lease ..... 8~~
~~V Fees and Reports ..... 10~~
~~VI Franchisee's Operational Covenants ..... 13~~
~~VII Franchisor's Operational Assitsance ..... 20~~
~~VIII Purchase of Products ..... 21~~
~~IX Manuals ..... 22~~
~~AX Marketing ..... 22~~
~~XI Breach and Termination ..... 25~~
~~XII Termination and Expriation ..... 27~~
~~XIII Purchase Option ..... 29~~
~~XIV Sales or Transfers of the Franchise ..... 30~~
~~XV Relationship of the Parties ..... 33~~
~~XVI Covenant Not to Compete ..... 34~~
~~AXVII Dispute Resolution ..... 35~~
~~XVIII Notices ..... 37~~
~~XIX Construction and Jurisdiction ..... 37~~
~~XX Miscellaneous ..... 38~~
~~XXI Definitions ..... 40~~
I Award of Franchise 4
II Term and Successor Franchse 6
III Intellectual Property 7
IV Construction, Commencing Opertations and Lease 10
V Fees and Reports 12
VI Franchisee's Operational Covenants 15
VII Franchisor's Operational Assitsance 24
VIII Purchase of Products 24
IX Manuals 25
AX Marketing 26
XI Breach and Termination 28
XII Termination and Expriation 31
XIII Purchase Option 34
XIV Sales or Transfers of the Franchise 35
XV Relationship of the Parties 38
XVI Covenant Not to Compete 39
AXVII Dispute Resolution 41
XVIII Notices 43
XIX Construction and Jurisdiction 43
XX Miscellaneous 44
XXI Definitions 46

Exhibits

A-1 Territory
A-2 Company Representations and Warranties
A-3 Fee Chart
A-4 Brand Protection Agreement for Principals
A-5 ~~Employee~~Personnel Brand Protection Agreement
A-6 Landlord's Consent to Assignment
A-7 ACH Agreement

A-8 Guaranty and Assumption of Obligations
A-9 Digital ~~and~~, Social Media, and Listings Assignment Authorization ~~for Assignment~~
A-10 Franchisee Report
A-11 State Addenda

REAL DEALS ON HOME DÉCOR®
FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is entered into and made effective as of _____, by and between **REAL DEALS, INC.**, an Idaho corporation ("Franchisor," "We," "Us," or "Our" as further defined in Article XXI below) and _____ ("Franchisee," "You," or "Your" as further defined in Article XXI below).

WHEREAS, We have developed a system for the operation of a Real Deals on Home Décor® business, utilizing the Marks and System, and offering to the public home décor, furniture, home accessory, jewelry, clothing, personal accessories, food and beverage items, and other related products and services ("Franchise ~~Business~~Shoppe"); and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise ~~Business~~Shoppe using the System; and

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

ARTICLE I
AWARD OF FRANCHISE

1.1 Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the exclusive, non-sublicensable, personal right to establish and conduct a Franchise ~~Business~~Shoppe as a Real Deals on Home Décor® franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only at a single location approved by Us ("Premises") within Your territory as set forth on Exhibit "A-1" ("Territory"). You must operate Your Franchise ~~Business~~Shoppe in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals.

1.1.1 Territory Rights. ~~Except as set forth in this Agreement, during the term of this Agreement, We will not establish or operate a traditional company-owned outlet or grant to any person or entity a franchise within the Territory using the same or similar System as that licensed by this Agreement.~~ We will make efforts to create a Territory that extends approximately three miles from Your Premises in all directions with a minimum population base of approximately 50,000; however, the radius may be smaller based on population density, demographics and geographical boundaries. In addition, if Your Premises are located within a shopping mall or similar facility with a captive market, Your Territory may be limited to the physical boundaries of the mall or facility.

1.1.2 Territory Adjustment. We have the right to adjust the boundaries of Your Territory if the population in Your Territory increases by 50,000 or more as measured from the date of this Agreement. We also have the right to adjust the boundaries of your territory based on inadvertent error in the creation of your territory, or in an effort to more accurately reflect the target number of population after your premises location has been selected and approved, or for other reasons that we may specify from time to time in the manuals.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise ~~Business~~Shoppe.

1.3 Our Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among other rights, the right, in Our sole discretion: 1) to establish and license others to establish and operate Real Deals on Home Décor® businesses outside Your Territory; 2) to operate and license others to operate businesses anywhere that do not operate under the Real Deals on Home Décor® brand name; and 3) to use the Marks and other marks in connection with the manufacture and sale of products at wholesale and at retail.

1.3.1 ~~Exception to~~ Online Sales. ~~So~~You do not have the right to sell products or services through other channels of distribution, including the Internet, apps, or social media without receiving Our prior written permission, which can be withheld for any reason. However, so long as You remain in good standing and compliant with the System, ~~the express reservation of rights to offer and sell Real Deals on Home Décor® products on the Internet, via apps, and Social Media set forth above is temporarily suspended until We are able to~~You have the ~~Real Deals Online Shoppe ("Online Shoppe") available to the public for~~ option to add an online ~~purchases. You agree to completely stop all sales on the Internet, via apps, and via Social Media within 60 calendar days of Our written notice to You that the Online Shoppe is operational. As~~store as part of ~~this temporary allowance~~Your Franchise Shoppe. If approved for an online ~~sales~~store, You ~~agree to~~ shall use only Our template and can sell only on Our approved platform(s). We will own all online stores but You will be provided with access to the online store for Your Franchise Shoppe. You shall comply with all of Our e-commerce policies for online store sales.

Upon Our request, You shall provide Us with a monthly profit and loss statement that ~~includes~~Includes all online sales not later than the 10th day of each month for the prior month's sales. In addition, upon Our request, You ~~are required to~~shall provide Us with all up-to-date login and password information for Your online sales platforms and if We do not already have it, to grant ~~us~~Us administrator access. Your failure to provide Us with this access and information ~~will~~ or Your failure to immediately provide Us with updated password/login information in the event You change such information, may result in a termination of ~~this exception to Section 1.3 together with any allowance for You to engage in online sales~~Your online store allowance, and operating a non-approved e-commerce or online store may result in Termination of this Agreement.

1.4 Rights to Use Channels of Distribution. Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. We and Our affiliates expressly reserve the right to Market in Your Territory and elsewhere using Marketing strategies and distribution channels Including Internet, television, radio, apps, Social Media, catalog sales, and other direct sales, direct mail, telemarketing, infomercials, general media marketing, and to co-brand our products with others. You may not sell Our products and/or services using such reserved Marketing strategies and distribution channels without Our prior written permission. We do not pay You for soliciting or accepting orders for any products or services We or Our affiliates make inside Your Territory.

1.5 Entity Franchisee. You must designate an Operating Principal in connection with Your Franchise ~~Business~~Shoppe. This Operating Principal must be a general partner, manager or controlling owner and must be listed on Exhibit "A-2." Your Operating Principal will have the authority to speak for and bind You in all matters pertaining to this Agreement and Your Franchise ~~Business~~Shoppe.

1.6 Restriction of Territory Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise ~~Business~~Shoppe at the Premises and does not extend to the operation of a Franchise ~~Business~~Shoppe or any other use of the System from any other location within or outside Your Territory, or in any other manner, except as may be allowed by this Agreement and Our Manuals. You may only service customers at the Premises. You **cannot** operate any other business from the Premises other than the Franchise ~~Business~~Shoppe.

1.7 Minimum Gross Sales Levels. Starting in the second year of Your Franchise ~~Business~~Shoppe, or the first full calendar year in which You are in business, You are required to achieve a minimum of $250,000 in annual Gross Sales ("Minimum Sales Level") for each year Your Franchise ~~Business~~Shoppe is open. In the event You fail to meet the Minimum Sales Level in any given year, You are required to initiate preparation of a sales performance plan ("Performance Plan") and strictly coordinate with Us in developing the Performance Plan. This Performance Plan will outline requirements You must implement into Your Franchise ~~Business~~Shoppe and a period of time in which You have to meet the Minimum Sales Level. Failure to strictly comply with the Performance Plan may result in termination of this Agreement. We also have the right to allow You to continue to operate Your franchise under the terms of the franchise agreement while We broker the sale of your franchise. If We broker the sale of Your franchise, We are entitled to a fee equal to 15% of the sales price to compensate Us for time and expenses to broker the sale of Your franchise.

1.8 National Accounts. We expressly reserve the right to sell, market and distribute the Real Deals on Home Décor® products and related products to all National Accounts, both within and without Your

Territory. We also reserve the right to allow You to manage a National Account in Your territory. A "National Account" is defined as a company with multiple units or outlets located in more than one geographical area or territory. We will designate if and how franchisees will sell or service National Accounts~~.~~ but there is no obligation on Us to provide You with any national accounts or to compensate You for Our providing services to any National Account within Your Territory.

ARTICLE II
TERM AND SUCCESSOR FRANCHISE

2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of five years, unless terminated earlier pursuant to Article XI herein. If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.

2.2 Successor Franchise. You have the right to be awarded a successor franchise ("Successor Franchise") upon the expiration of the original term for an additional term of up to 10 years, as agreed to by You and Us, if all the following conditions are met at the time You elect to renew: 1) You are not in default of this Agreement; 2) You have complied with and timely met material terms and conditions of this Agreement throughout the initial term; 3) You have complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise ~~Business~~Shoppe; and 6) You give Us written notice ~~of Your intent~~whether or not You intend to renew at least six months and not more than one year prior to the expiration date of the term hereof. ~~Your Successor Franchise Agreement may also provide for a Successor Franchise term.~~ Your failure to give such notice will automatically constitute an election ~~not~~ to enter into a Successor Franchise Agreement (defined below~~). If You fail to enter into a Successor Franchise Agreement for any reason but continue to operate Your Franchise Business, at Our election,~~) and You will be required to sign Our Successor Franchise Agreement. Your Successor Franchise Agreement may also provide for a Successor Franchise term. ~~deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees.~~ In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise ~~Business~~Shoppe may be terminated by Us upon 30 days prior written notice to You for any reason whatsoever.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in a Successor Franchise Agreement, which date will supersede, said Successor Franchise term, Including any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.

2.2.3 Successor Franchise Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor franchise agreement ("Successor Franchise Agreement"). The Successor Franchise Agreement Includes personal guarantees and a general release of all claims against Us (existing at that time) arising from this Agreement, the relationship created herein and Your Franchise ~~Business~~Shoppe. If You fail to execute such a release, the signing of the Successor Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement~~, and You shall pay royalties and other continuing Fees at the then-existing levels required to be paid by new franchisees.~~. You must sign and return to Us the Successor Franchise Agreement at least 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement. If You fail to sign a Successor Franchise Agreement for any reason but continue to operate Your Franchise Shoppe, at Our election, You will be deemed to have renewed on a month-to-month basis, requiring You to pay a 7% royalty fee until You sign the Successor Franchise Agreement (which may also require a 7% royalty), and to

abide by Our then-current Fees. **You acknowledge by You that You will be bound by the form of the Successor Franchise Agreement in effect at the time which may contain Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including terms affecting payments to Us or Our affiliates.** You must make all necessary arrangements to continue the occupancy of Your existing Premises through the Successor Franchise term(s), unless We give written permission to relocate Your Premises.

2.2.4 Successor Franchise Fee. If approved for a Successor Franchise, You shall pay to Us a non-refundable Successor Franchise Fee set forth in Exhibit "A-3," payable in full at the time of execution of the first Successor Franchise Agreement.

2.2.5 Upgrading Your Franchise ~~Business~~Shoppe. As a condition to Us approving You entering into a Successor Franchise Agreement, at Your expense, You are required to Update Your Franchise ~~Business~~Shoppe and Premises to the extent and in the manner specified by Us to conform with and bring it up to the standards, image, and capabilities of new franchises being opened and/or licensed by Us at the time the Successor Franchise takes effect.

2.2.6 Successor Franchise Training. As a condition to Us approving You entering into a Successor Franchise Agreement, You and/or Your designated manager and other key personnel may also be required to attend and successfully complete trainings, certifications, and other programs at such times and locations as We specify. You may be required to cover the expense of travel, meals, lodging, and other related costs for such training and certifications.

2.2.7 Unable to Offer Successor Franchise. Notwithstanding the preceding paragraphs of this Section, if at the time You provide Your notice of desire to enter into a Successor Franchise Agreement, We are no longer offering franchises in the United States, or We are not able by law to offer a successor agreement to You, then this Agreement will automatically be extended for a period of one year. If at the end of the one-year extension, We still ~~have~~are not ~~offered~~offering franchises in the United States, or We are unable by law to offer a successor franchise to You, this Agreement will automatically terminate unless further extended by mutual consent, which consent We can withhold for any reason.

ARTICLE III
INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that: 1) ~~as between You and us,~~ We have the sole rights in and to the Intellectual Property and Confidential Information; 2) Your right to use the System is granted by Us solely pursuant to the terms of this Agreement; and 3) ~~as between You and Us,~~ We have the sole right to license and control Confidential Information and Intellectual Property. Our ~~intellectual~~Intellectual Property and Confidential Information provided to You by or through Us will remain Our sole property. You acknowledge that Our Confidential Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.2 Use of Confidential Information and Intellectual Property. You have a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with Your Franchise ~~Business~~Shoppe and in accordance with Our Manuals and this Agreement. You understand and agree that the use of Our Confidential Information, Intellectual Property, and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of, or rights in, the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Confidential Information or Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of the Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.

~~3.3 Our Marks. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us.~~

~~3.4~~ 3.3 Use of Marks and System. You have the non-exclusive right to use Our Marks and the System as directed by Us. You shall only use Our Marks licensed by this Agreement and only with the letters "TM," "SM" or "®," as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. You shall not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks or System in any manner~~,~~ or otherwise take any action (inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any intercompany documents to identify Your Franchise ~~Business~~Shoppe or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees must be under Your entity name.

3.~~4~~3.1 Cooperation. You shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to fully cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You shall immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property.

3.~~4~~3.2 Use in Marketing. The use of the Marks in Marketing is set forth in Article X.

3.~~4~~3.3 Modification of Marks. We have the right, in Our reasonable discretion, to require You to change, modify or discontinue the Marks or to use one or more additional trademarks, service marks, logos and/or other symbols in connection with the operation of the Franchise ~~Business~~Shoppe. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.~~4~~3.4 No Registration. You cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names, abbreviation, acronym, or phonetic or visual variation of the Marks, or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.~~5~~4 Copyrights. All rights, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. You have no right to make any direct or indirect use of the ~~Copyrighted~~Copyright Materials except as allowed under this Agreement.

3.~~6~~5 Sole Control. As between You and Us, We will have the sole control over any legal or administrative action concerning the Confidential Information or Intellectual Property. You must promptly notify Us in writing of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of the Confidential Information and Intellectual Property licensed hereunder in which We have an interest.

3.5.1 Infringement. In the event We undertake the defense or prosecution of any litigation pertaining to any such Confidential Information and Intellectual Property, You must execute any and all documents and do such acts and things as may, in the opinion of Our counsel, be necessary to carry out such defense or prosecution. If We fail to undertake action within a reasonable time after receipt of Your notice regarding any such claim, demand or suit, then You may, with Our prior written consent (but You will not have the obligation) undertake the defense of any such proceeding and will do so at Your sole cost and in strict coordination and oversight with Us. You shall not do any act or make any claim which is contrary to or in conflict with Our rights in the Confidential Information and Intellectual Property. We are not required to defend or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the licensed trademarks.

3.~~7~~6 Goodwill. All goodwill associated with the Marks and the System belongs exclusively to Us. You acknowledge that valuable goodwill is attached to the Marks and System, and that We have invested and

continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System that might be deemed to have arisen through Your activities is Our sole property and inure directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.~~7~~6.1 Customer Data. All Customer Data is Our sole property and inures directly and exclusively to Our benefit. You have a royalty-free, non-exclusive right to use the Customer Data during the term of this Agreement. You must gather, upload, and/or store all Customer Data as required by Us. To the extent that We do not otherwise have access, You must provide Us copies of all Customer Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee, and transaction information, and do ~~-~~not ~~-~~contact laws. If We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, Including any anti-spam legislation.

3.~~8~~7 Fictitious Business Name. You must not use Our Marks or any other name similar thereto in the name of any partnership or entity owned or formed by You, whether to own or operate Your Franchise ~~Business~~Shoppe or otherwise. However, within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a "doing business as" name ("DBA") using Our Marks as designated by Us, and in the manner required by applicable state law so as to notify the public that You are operating Your Franchise ~~Business~~Shoppe as an independent business pursuant to this Agreement and must include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same and upon Our request from time to time.

3.~~9~~8 Maintaining Secrecy. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of Our Confidential Information; 2) disclose such information to Your ~~employees~~Personnel only to the extent necessary to Market Our products and services and for the operation of the Franchise ~~Business~~Shoppe in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.

3.~~10~~9 Changes to the System. You shall fully disclose all Innovations to Us, without disclosing the Innovation to others and will obtain Our written approval before using or implementing an Innovation. All Innovations are owned by Us and considered a "work-made-for-hire." If all or part of any Innovation that You create is for any reason deemed not to be a "work-made-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate all right, title, interest and ownership, Including license rights, in the Innovation, and You agree to sign (or have the creator sign) any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative thereof, You expressly waive those rights. Any Innovation may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right to make applications for and own Intellectual Property relating to any Innovation, and You shall cooperate with Us in securing these rights. We may also consider an Innovation as part of Our trade secret. At Our discretion, We may authorize You to utilize Innovations that may be developed by You, Us, or other franchisees.

3.~~11~~10 Association with Causes; Co-Branding. You cannot, without first receiving Our written approval, in the name of the Franchise ~~Business~~Shoppe or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, social, religious, or other organization, cause or position; or (ii) act in support of or against any such organization, cause, or position. You cannot "co-brand" or use the Marks or Your Franchise ~~Business~~Shoppe to associate any other business activity with the Franchise ~~Business~~Shoppe in a manner which is likely to cause the public to perceive the activity to be related to or sponsored by the brand or System.

3.11 Consent to Use of Likeness and Your Franchise Shoppe. You agree that We have the right to use the likeness (Including photographs or videos containing images) of You and Your Franchise Shoppe for any purposes relating to the Marketing of the System or Marks. You agree that no compensation will be due to You for such use.

ARTICLE IV
CONSTRUCTION, COMMENCING OPERATIONS AND LEASE

4.1 Location of Premises. You must select a site for Your Premises within the designated search area listed on Exhibit "A-1" ("Search Area"). You understand that the Search Area is not the protected Territory but is only the area where You may look for Your Premises. The Search Area may not be exclusive to You as We reserve the right to sell franchises or develop and outlet in the Search Area, but We will not sell or develop any units within Your Territory. You must have a site approved by Us for Your Premises within two months of signing this Agreement. If We do not approve Your initial proposed site, You shall have an additional 30 days to locate an approved site, in which case the deadlines in sections 4.2 through 4.4 below shall be extended by 30 days. Although We must approve ~~of~~ Your site, We do not warrant or guarantee the success of the site. You must not commit to, purchase or lease any real property or commence construction unless and until You have Our written approval of the proposed location. Your Premises must strictly comply with local zoning, state and federal laws, rules and regulations.

4.1.1 Location Approval. We must approve Your proposed site. However, it is Your responsibility, at Your sole cost and expense to select the site within the Search Area~~.~~ and You must use a local broker for Your site selection. You must provide Us with the street address of the proposed site and such other information as We request, Including pictures ~~or,~~ existing brochures of the proposed site, etc. **We do not prepare demographic studies or otherwise evaluate the need for Our products and services in Your Territory or Search Area, nor do We provide You with a site checklist or other similar information.** Site approval or disapproval should be completed by Us within four weeks after You have submitted a proposed site to Us.

4.2 Lease. You are required to purchase or lease suitable real property from which to operate Your Franchise ~~Business~~Shoppe. A Lease must be in place within two months from the date of this Agreement. We do not assist You in negotiating the Lease; however, You must use a local real estate broker to find the site and negotiate Your Lease. We have the right to review and approve or disapprove any lease relating to Your Franchise ~~Business~~Shoppe prior to execution and We must approve of Your Lease, Including the term of the Lease. If We review Your Lease, at Our discretion, the scope of Our review may be limited to adherence to Our requirements rather than a review of the underlying terms of the Lease. In no way does Our review of the Lease amount to any endorsement or warranty of the Lease. You must also deliver an executed copy of the Lease with a signed Landlord's Consent to Us within 15 calendar days after execution.

4.2.1 Assignment of Lease. You hereby assign and transfer all rights and interest in and to the Lease to Us to be effective upon Our election when this Agreement terminates~~.~~ or if You do not cure a default under the Lease. In such an event, We will have the right, but not the obligation, to accept the assignment and assume the Lease or execute a lease with You as provided below. We also have the right to assign the Lease to another franchisee or an Affiliate of Ours. Your Lease must Include a provision allowing the assignment of the Lease to Us or Our nominee, at Our option, in the event this Agreement is Terminated for any reason. You are required to have Your landlord sign the attached Landlord's Consent to an assignment of the Lease before the Lease is signed. The Landlord's Consent is attached hereto as Exhibit "A-6." If You own the Premises, You hereby agree to lease the facilities to Us upon Termination of this Agreement at a rate not to exceed its fair market rental value, and on commercially reasonable terms and conditions. ~~Your Lease must include a provision allowing the assignment of the Lease to Us or Our nominee, at Our option, in the event this Agreement is Terminated for any reason, and You are required to have Your landlord sign the attached consent to an assignment of the Lease before the Lease is signed. You and Your Landlord may be required to complete and sign a rider or addendum to the Lease agreement that: (i) grants Us an option to assume Your position as a lessee under the Lease if You are in material default of either the Lease agreement or this Agreement; and (ii) requires the Landlord to fully cooperate with Us in completing de-identification of the Premises and Franchise Business if this Agreement is Terminated for any reason. The Landlord's consent is attached hereto as Exhibit "A-6."~~

4.2.2 Assumption of Lease. We will have 45 days from the date of Termination of this Agreement or the Termination of Your Lease, or 45 days from the date You do not cure a default under the Lease, to exercise Our right and option to take and assume the Lease for the Premises. If the option is exercised, We will notify You and the Landlord of Our exercise within the option period. In such event, You

agree to bring all obligations under the Lease current as of the date of possession by Us, as well as to indemnify Us against all losses and costs arising by virtue of, attributable to, or in any way related to the period of Your possession of the Premises. All taxes, utilities and rentals will be prorated between Us and You as of the date of Our possession. We will not be obligated to pay Your arrearages. After the date of possession, We agree to indemnify You against all Lease obligations solely attributable to the period of Our possession of the Premises. You agree that no compensation for the Lease is payable by Us to You unless the Premises are owned by You. The Lease will be transferred to Us without payment of any kind to You by Us for the Lease other than the indemnification provided above.

4.3 Construction. Any construction of the Premises must be done in strict accordance with the specifications approved by Us, but it is Your responsibility to verify that the plans conform to federal, state and local laws. We do not assist in the actual construction or remodeling of Your Franchise ~~Business~~Shoppe. You must commence construction within one month from the signing of the Lease, and construction must be completed within six months from the date of this Agreement.

4.3.1 Design of Premises. At Your own expense, and unless waived in writing by Us, You are required to follow Our interior and exterior design standards and specifications. We provide You preliminary layout/design plans for Your Franchise ~~Business~~Shoppe. At Your own expense, You are required to adapt Your Franchise ~~Business~~Shoppe in accordance with local, state and federal laws, rules and ordinances. All changes and modifications to the plans We provide must be approved by Us in writing prior to Your commencing construction. You are also responsible for obtaining any required permits.

4.3.2 Setting up Premises. You shall arrange the fixtures, signs, furniture, décor, and ~~décor~~other items of the Premises in strict compliance with the format and color schemes required or recommended by Us and to work with Our approved suppliers providing such items. We must approve Your Premises setup prior to opening, and if any elements of the Premises do not meet Our specifications, You will, at Your cost, be required to make the required adjustments.

4.3.3 Abandonment of Construction. Abandonment of construction or stoppage of construction for six or more weeks due to Your fault or neglect will be grounds for terminating this Agreement.

4.3.4 Approval of Construction. You may not operate Your Franchise ~~Business~~Shoppe if construction, improvements ~~and fixturization~~or any fixtures do not conform to Our approved specifications and failure to correct any unauthorized variance for such plans and specifications within 30 days after written notice from Us will be grounds for terminating this Agreement. We have the right to supervise and inspect all construction to assure compliance with approved plans and specifications.

4.4 Commencing Operations. You are required to commence operations not later than 15 days following completion of Your Premises and in no case later than six months from the date of Your Lease. You must give Us not less than 20 days' prior written notice of the opening date and provide a valid certificate of occupancy at least 20 days before you can begin operations. We have the right to inspect and approve Your Premises and other aspects of Your operations relating to Your compliance with this Agreement prior to opening.

4.4.1 Conditions to Opening. In addition to notification of opening, You must satisfy all the following conditions: 1) You are in compliance with this Agreement; 2) You have obtained all applicable governmental permits, licenses, certifications of occupancy, and authorizations; 3) the Franchise ~~Business~~Shoppe conforms to all applicable System standards; 4) We have inspected and approved the Franchise ~~Business~~Shoppe, which may be done virtually, at Our discretion; 5) You have hired sufficient ~~employees~~Personnel; 6) the required ~~personnel~~Personnel have completed all Our required pre-opening trainings and certifications; and 7) We have given Your Our written approval to open, which will not be unreasonably withheld.

4.5 Relocation of Premises. You are not allowed to relocate Your Premises without Our prior written approval. Approval to relocate will be based upon the same criteria used in approving a new franchisee's proposed site. If You are allowed to relocate, Your new Premises, offerings, and technology must be up to date and current with Our then-current standards. ~~In~~At Our sole discretion, You may be required to

attend an initial training program if You choose to move Your Premises. In addition, prior to opening Your new Premises, You will be required to pay for two of Our representatives to visit Your new Premises for up to two days. The price for this mandatory visit will be Our then-current rate for on-site assistance to You. You are responsible for all fees associated with this visit, plus Our expenses for transportation, food and lodging for each representative. You must demonstrate the financial ability to relocate as part of Our approval process (see Exhibit "A-3"). We have the right to deny a request for relocation in Our sole discretion.

4.6 Failure to Meet Deadlines. If You fail to meet a deadline listed in this Article and fail to cure, including abandonment of construction or its stoppage for more than six weeks due to Your fault or neglect, or if We cannot agree on a site location, this Agreement will be subject to Termination by Us, at Our option. However, You may be granted an extension at Our discretion if You demonstrate a good faith effort in complying with this Article. You will not receive a refund if You are unable to find an approved location.

ARTICLE V
FEES AND REPORTS

5.1 Initial Franchise Fee. You shall pay Us the initial franchise fee listed in Exhibit "A-3" in one lump sum at the time of execution of this Agreement. The initial franchise fee must be paid by wire transfer or certified check. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement exist until the initial franchise fee is paid in full.

5.1.1 Pre-Opening Marketing. You shall spend a minimum of $5,000 for Your Pre-Opening Marketing ("POM"), which will be used on Your POM campaign and must be spent on marketing media such as television, radio and print media ads. All of Your POM must be pre-approved by Our marketing team prior to Your running or approving any Marketing to run or be distributed in Your Territory. You are required to copy Our marketing team on all communications between You and any third-party vendor regarding the POM. All POM must be spent locally to run before and during the first week of Your opening.

5.2 Royalty. You shall pay Us a non-refundable on-going, ~~weekly~~ royalty as listed in Exhibit "A-3." The royalty is in consideration of Your right to use Our Intellectual Property and certain Confidential Information in accordance with this Agreement and not in exchange for any specific services We render.

5.2.1 Change in Law. In the event there is a change in the law or a discovery of a law affecting the collection of payments to Us, You agree to allow Us to modify the definition of "Gross Sales" and the calculation of other Fees due to Us in order to comply with the law. However, in no event will the modification of the term "Gross Sales" or the calculation of other Fees due to Us result in Your payment in excess of the Fees listed in Exhibit "A-3."

5.3 Marketing Fees.

5.3.1 Marketing Fund. You shall pay Us the weekly Marketing fee listed in Exhibit "A-3" for Our Marketing programs as further described in Section 10.1 below. We can increase the marketing fee to 2% of Your Gross Sales with 30 days' notice to You ~~after three years from the date of this Agreement.~~ The Marketing Fund Fees are deposited into a separate bank account specifically designated for Our Marketing activities.

5.3.2 Local Marketing. You must also allocate and spend an amount of Your Gross Sales for local Marketing programs every month in Your Territory. This amount is listed in Exhibit "A-3." We reserve the right to require You to allocate the minimum local media Marketing to a marketing company of Our choice. During your first year of business, We may require You to spend up to $15,000 annually on local Marketing. This would be an additional startup expense, Including in addition to the POM. We reserve the right to increase the minimum local Marketing requirement if We determine, in Our sole discretion, that to do so will be in the best interest of the System.

5.3.3 Marketing Cooperative. In the event a local or regional ~~marketing~~Marketing cooperative is formed, You will be required to contribute to the ~~marketing~~Marketing cooperative as established and assessed by the ~~marketing~~Marketing cooperative. See Section 10.2 below.

5.4 Calculation and Reporting. The calculation, reporting and payment of the Fees specified in Sections 5.2 and 5.3 above will be made as follows:

5.4.1 Payments Due Date. All royalty, Marketing fees, and other Fees must be paid in accordance with Our then current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. You must sign Our ACH Agreement (see Exhibit "A-7"). Currently, the Fees as shown and calculated on the Gross Sales Report are due and payable and must be received by Us or credited to Our account by pre-authorized bank debit and automatically withdrawn from Your Operating Account each week for the previous week's sales (Monday through Sunday). You must have an active ACH agreement with Us at all times. Before terminating or canceling any active ACH agreement, You must provide a new ACH agreement to Us so that there is no time in which We do not have the ability to automatically withdraw or debit all payments and Fees due and owing to Us. You shall pay all service charges and fees charged to You by Your bank so that We may electronically debit Your bank account. We reserve the right to change the payment due date or require daily payment for any and all Fees in the future. You agree that Your obligation to pay all Fees due under this Agreement are absolute and unconditional.

5.4.2 Operating Account. You ~~shall~~may not have more than one Operating Account associated with the Franchise ~~Business~~Shoppe. If You fail to report Gross Sales, We may automatically sweep or an estimated amount of Fees due to Us. You shall pay Us any amount owing if We underestimate Your payment to Us, and We will credit You with any overage that We charge. You must maintain a minimum of $3,000 in Your Operating Account or have a $3,000 line of credit at all times for business emergencies, provided that in any 30-day period, unless You have the required line of credit, the Operating Account may have less than such amount for a period of not more than five days. You are required to provide Us with view-only access to Your Operating Account.

5.4.3 Late Fees~~;~~; Insufficient Fund Fee. You will be charged a late Fee if a required Fee, payment to Us or an affiliate, or report is not timely received by Us or an affiliate ~~(see Exhibit "A-3"),~~ and You will be charged per bounced check or insufficient or rejected funds transfer. See Exhibit "A-3." These fines are due upon demand to You, and the amounts may be adjusted by Us from time to time in the Manuals.

5.4.4 Interest. In addition, all Fees not paid when due will be assessed and accrue interest from the due date to the date of payment, both before and after judgment at the rate of 18% per annum or the maximum rate allowed by law, whichever is less. In no event will any amount be charged as interest or late fees that otherwise exceeds or violates any applicable legal restrictions. Unpaid interest charges will compound annually.

5.4.5 Sales Tax. If there is hereafter assessed any nature of sales tax or use tax or other value added tax on Fees that You pay to Us, You shall also pay Us the applicable tax when invoiced.

5.5 Reports and Financial Statements. You must submit the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals.

TYPE OF REPORT	DUE DATE	REMARKS
Gross Sales Report	Same due date as royalties, or as otherwise designated by Us	Must be submitted to us via email. You must submit this report in a form we approve or require. This report must ~~include~~Include the gross sales of the immediately preceding week.
Profit and Loss Statement	The 10th day of the following month, or as otherwise designated by Us	Must be submitted to us via email. The profit and loss statement must be submitted in accordance with the standard profit and loss statement template and balance sheet template required by Us to be used by You in Your Franchise ~~Business~~Shoppe. The financial statement and accompanying documents must be reviewed by an independent accountant.

TYPE OF REPORT	DUE DATE	REMARKS
Local Marketing Report	The 10th day of each month for the prior month's advertising expenditures, or as otherwise designated by Us	Must be submitted to us via email. This report must detail your expenditures for local marketing in a form we may require.
Local and State Sales Tax Report	No later than 30 days following the filing due date	Must be submitted to us via email
State Tax Return	~~No~~Annually, no later than 30 days following the filing due date	Must be submitted to us via email
Federal Tax Return	~~No~~Annually, no later than 30 days following the filing due date	Must be submitted to us via email
IRS Form 941 (Employer's Quarterly Federal Tax Return)	~~No~~Quarterly, no later than 30 days following the filing due date	Must be submitted to us via email
Other Reports	Upon request	Those additional reports that We may from time to time require, Including by way of example and not limitation, sales and cost data and analysis, advertising budget, expenditures, etc.

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agents have the right, during normal business hours, to conduct computer and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns. You must keep complete and accurate books and records of the operation of Your Franchise ~~Business~~Shoppe. You shall provide Us with access to, or copies of, all financial records in the time We require. We are not required to give You advanced written notice of an audit.

5.5.2 Audit of Books and Records. If any audit or investigation discloses a deficiency of 2% or more of the Gross Sales in the computation or payment of the Fees due Us, You shall immediately pay Us the amount of the deficiency, the appropriate Fee for late charges, and You shall reimburse Us for the total expense of the audit or investigation, Including, the charges for the accountant and the travel expenses, room, board and other costs incurred in connection with the audit. Your failure to report Gross Sales for any period, or Your failure to retain and have available readable and organized required records will be deemed an understatement by more than 2%.

5.6 Accounting and Other Fee-Based Programs.

5.6.1 Accounting, Technology, and Other Software & Hardware. We provide You with QuickBooks® Online software at the start of this Agreement, but any updates are to be purchased by You. Your monthly Real Deals University ("RDU") Fee (see ~~paragraph 5.6.2)~~Exhibit "A-3")) covers all software and other computer programs created by Real Deals, Inc., Including RDU and ("SOS") (Simplified Ordering System). At any time, We may choose to have SOS and RDU payments payable as separate Fees. In addition, You are responsible for the monthly and any annual payments and updates for Your POS software and hardware systems. We or Our third-party provider may revise these amounts from time to time and You must immediately comply with an increase or changes in the Fees. ~~This Fee is~~Software Fees are currently due and payable with your on the first Wednesday of each month, paid in accordance with our electronic funds transfer or automatic withdrawal program as developed ~~(see Exhibit "A-3").~~.

~~5.6.2 Real Deals University. You agree to pay the current monthly technology Fee to Us or an approved vendor for a subscription to RDU, Our online franchisee portal (see Exhibit "A-3"). This fee will be adjusted from time to time as set forth in Our Manuals.~~

5.7 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owing to Us.

5.8 No Refunds. Unless otherwise stated above, the Fees set forth in this Agreement are not refundable.

5.9 Non-Compliance Fines. In Our sole discretion, as an alternative to placing You in default, as determined on a case by case basis, Including for failure to cure a prior default even if a fine has been imposed, We may issue You a fine or fines for certain violations of this Agreement and/or the Manuals. See Exhibit "A-3." If You do not correct the violation within the time required by Us, We have the right to put You in default. We are not obligated to charge You a fine before putting You in default. All fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. ~~Such~~These fines are paid to Us to reimburse Us for Our administrative and management costs to address the violation, are not a penalty or estimate of all damages arising from Your breach and are not Our sole remedy. Our decision to impose, or not to impose, a fine for Your non-compliance does not constitute a waiver of any other right that We may have under this Agreement, Including Termination of this Agreement.

5.10 Funding. You are solely responsible for obtaining all funding for Your Franchise ~~Business~~Shoppe. Failure to obtain sufficient initial funding for opening Your Franchise ~~Business~~Shoppe is grounds for termination of this Agreement.

ARTICLE VI
FRANCHISEE'S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements and covenants set forth in this Agreement:

6.1.1 Compliance with Applicable Laws. You are solely responsible for ensuring compliance with all applicable laws, ordinances, and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise ~~Business.~~Shoppe. As between Us and You, You are solely responsible for the safety and well-being of Your Personnel and the customers of the Franchise Shoppe.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise ~~Business~~Shoppe.

6.1.2 Appearance; Customer Service. You shall establish and maintain the Premises in a clean, attractive and repaired condition; perform work competently and in a workmanlike manner; give prompt, professional, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing, and ethical conduct; and otherwise operate Your Franchise ~~Business~~Shoppe in strict compliance with Our System and policies, practices, and procedures contained in the Manuals or otherwise communicated to so as to preserve, maintain, and enhance the reputation and goodwill of Our System. ~~We reserve the right to require that Your employees~~You must promptly respond to all complaints received from Your customers or other individuals and to resolve the complaint in a reasonable business manner. If We are contacted by a customer of Your Franchise Shoppe who lodges a complaint, We reserve the right (but are not required) to address the customer's complaint to preserve the goodwill and prevent damage to the Marks. Nothing in this Section or in any other provision of this Agreement is to be construed to impose liability upon Us to any third party for any of Your actions or obligations. We reserve the right to require that Your Personnel comply with any dress code, Mark or other brand-related standards that We may require. You shall arrange the fixtures, signs, furniture and décor of the Franchise ~~Business~~Shoppe in strict compliance with the format recommended or required by Us.

6.1.3 Signage. You must have the number of interior and exterior signs as required by Us and according to Our specifications. Prior to Your ordering any signage, You are required to submit images and paperwork for the signage to Us according to Our Real Deals® Signage Document, and Our graphic's team will create sign mock-ups. All signs to be used on, in, or in connection with Your Franchise ~~Business~~Shoppe must meet Our specifications and must be approved in writing by US prior to use by You. You shall maintain all signs in good condition and undertake such repairs and or replacements at Your

expense as We reasonably determine to be necessary. You are required to use the location's pylon/pole or monument sign, if applicable. You understand and acknowledge that although You are required to purchase and display signage, Including signage displaying Our Marks, You do not own rights to use of the signs following Termination.

6.1.4 Training. Your Operating Principal and Your designated manager, if other than Your Operating Principal, are required to attend and successfully complete Our training program at least six weeks prior to opening Your Franchise ~~Business~~Shoppe. Your Operating Principal and Your designated manager or one key employee, if separate from Your Operating Principal, are required to attend the same training and successfully complete the training program. The length of training is generally three to five days but could be longer if Your Operating Principal or Your designated manager or key employee(s) fails to successfully complete the training. Successful completion will be determined by Our trainers but may Include demonstrating knowledge of basic techniques, knowledge of policies and procedures, daily operations, record keeping, computer system competency, Marketing, and customer service. Failure to successfully complete training is a default of this Agreement. The training instruction is provided by Us without charge to You for up to four persons. After the first ~~4~~four attendees, You must pay ~~a~~the training fee~~. The cost for additional trainees, after the first 4 attendees, to attend the initial training is~~ listed in Exhibit "A-3." Each person must attend the same training session.~~ We may agree to train additional people attending the same training session as Your Operating Principal for a Fee.~~ You must cover the travel, food and lodging costs as well as compensation for Your attendees.

i. Replacement Training. Any new Operating Principal, managers or key employees must be trained by Us prior to taking over as Operating Principal or manager~~.~~/key employee. The fee for this training is listed in Exhibit "A-3." Depending on availability and advanced written notice, this training may take place at Your location, but more likely, the training will take place at Our headquarters or at an affiliate's location. You must also cover the travel, food, lodging for Your attendees or Our representatives, as applicable.

ii. Annual Manager Training. At Our discretion, once each calendar year, at a time designated by Us, Your Operating Principal and Your designated manager will be obligated to meet with Our representatives at a location specified by Us, for the purpose of discussing and reviewing Your operations, status, ~~and~~ financial performance, etc. If We, at Our discretion, determine that such a meeting is necessary, the Fee is listed in Exhibit "A-3."

iii. Additional In-Person Training. Depending on availability and advanced written notice, if You would like additional in-person training at Our headquarters or at Your Franchise location, We may provide this training to You. We have the right, in Our sole discretion, to limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require Your Operating Principal and/or other key personnel to attend additional training if You are in default, if You do not pass an inspection, or if We reasonably believe such training would be in the best interest of Your Franchise ~~Business~~Shoppe. Our current Fee for additional training is listed in Exhibit "A-3." For all training, You shall also bear the costs of travel, food, lodging and compensation of Your attendees or Our representatives (as applicable) in connection with training.

iv. Additional Training. You are required to participate in all other training programs as may be specified by Us from time to time.

v. Non-Disclosure. All attendees at any training must sign a non-disclosure agreement acceptable to Us before attending a training.

vi. Rescheduling Fee. You shall pay Us the rescheduling Fee listed in Exhibit "A-3" ~~I~~if You cancel, postpone or reschedule ~~a~~any training or opening assistance within seven days of the scheduled date, or if You fail to complete certain requirements prior to a training or opening assistance.

6.1.5 Opening Assistance. You must provide Us a valid certificate of occupancy for the Premises before We send any representatives to provide any opening assistance. More details on the opening assistance are set forth in Section 7.3 below.

6.1.6 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time to time and to provide Us with a copy within 15 days of execution.

6.1.7 Management. Your Franchise ~~Business~~Shoppe must be managed by either Your Operating Principal or a designated manager who will be required to devote their full time, attention and best efforts to the management and operation of Your Franchise ~~Business~~Shoppe. You must disclose the identity of Your Operating Principal to Us, and You must immediately notify Us in writing if Your Operating Principal is no longer acting in such capacity. We must approve of Your Operating Principal and any replacement Operating Principal.

i. Unless waived by Us in writing, for the first full year of operations Your Operating Principal is required to personally participate in the direct, full time, and on-premises operation of Your Franchise ~~Business for the first full year of operations.~~Shoppe. After the first year, Your Operating Principal is not required to manage the Franchise ~~Business~~Shoppe full time or be involved in the on-premises operation so long as a key employee has been successfully trained by Us who can be present during all business hours. Unless Your Operating Principal ~~will act~~acts as the full time manager after the first full year of operations of the Franchise ~~Business~~Shoppe, Your Operating Principal is not required to work a certain or minimum number of hours; however, Your Operating Principal must maintain sufficient inventory, supplies and products and work sufficient hours to operate Your Franchise ~~Business~~Shoppe or supervise Your managers and employ adequate personnel to operate Your Franchise ~~Business~~Shoppe at its maximum capacity and efficiency. Your Operating Principal must be Your principal contact person with Us.

ii. Although We do not require Your Operating Principal to be involved in the day-to-day on-premises management after the first year of operations, at a minimum and at all times during the term of this Agreement, Your Operating Principal is required to participate in Your Franchise ~~Business~~Shoppe as follows: (i) be directly responsible for overseeing all accounting, reporting and bookkeeping, and all financial components of the Franchise ~~Business~~Shoppe; (ii) attend and complete all training and retraining courses required by Us; (iii) attend any annual or special meetings of franchisees called by Us; (iv) be directly involved with site selection, construction, Updates; (v) be directly involved in all ~~personnel~~Personnel decisions affecting the Franchise ~~Business~~Shoppe; and (vi) conduct frequent inspections of the Franchise ~~Business~~Shoppe operations to ensure the highest standards of professionalism, cleanliness and general pleasant appearance in compliance with Our approved methods.

iii. Your Operating Principal must devote their primary attention to the Franchise ~~Business~~Shoppe, and You, Your Operating Principal and Your manager(s) must keep free from any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of Your Franchise ~~Business~~Shoppe.

6.1.8 Operational Hours. Throughout the year, You must always be open at least Thursday through Saturday of each week. However, You are allowed to open for four, five or six days so long as you remain open Thursday through Saturday. You must always be open for consecutive days, and one day must be a Saturday. In no event may You be open on Sunday. You cannot modify the number of days You are open without Our prior written consent. You must be open at the hours We may designate (currently We recommend opening hours from at least 10:00 am to 6:00 pm, but in no event can You be open for less than seven hours per day), unless waived or otherwise agreed in writing by Us, or if the System changes.

6.1.9 Remodel and Upgrades. You ~~shall~~are required to Update Your Franchise ~~Business~~Shoppe and Premises from time to time as We may reasonably direct, but not more often than every five years, and We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement (except for required changes to the Marks, or changes due to health or government mandates, guidelines, or public concerns, which We may require at any time). This can Include structural changes, new flooring, wall treatments, signage, ~~new equipment,~~ remodeling, redecoration of the furnishings, fixtures and décor, and such modifications to existing improvements as may be reasonably necessary, such that all Real Deals® locations will have a generally similar look, appearance, and capabilities. We may also require You to invest in new or updated equipment and technology at any time. You acknowledge that this obligation is reasonable and necessary to ensure continued public acceptance and patronage to Our brand and to avoid deterioration or

obsolescence in connection with the operation of Your Franchise Shoppe. You must complete all such Updates within 90 days of notice from Us. You shall also complete any day-to-day maintenance issues as they occur during the term of the franchise agreement.

6.1.10 Your ~~Employees~~Personnel. You, Your principals, and Your ~~employees~~Personnel are not Our employees or independent contractors. You are solely responsible for the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, directions governing the manner, means, and methods of the performance of duties, work rules, safety, working conditions, and training of Your ~~employees~~Personnel. We do not assist You in employment related decisions, or in creating any policies or terms and conditions related to the management of Your ~~employees~~Personnel or their employment. We may provide You with a sample employee guide or manual, but it will only be an example of certain employment matters that You may choose to adopt or not. You must use Your own discretion on what policies to implement for Your ~~employees~~Personnel based on Your own circumstances and management decisions. The sample manual is not edited or reviewed frequently to stay up to date with current or state specific employment laws and some policies may be outdated or conflict with current existing state or federal employment laws. You must seek Your own legal counsel to determine those policies that are legally compliant with current employment laws in Your state to draft Your own employee handbook. It is Your responsibility to comply with local and federal labor and employment laws. You further agree that in any office, break room, or other non-public area accessed by Your Personnel, You will post a sign or other document containing language We require explaining the differences between You, their employer or contractor, and Us, Your Franchisor.

Your Personnel must execute Our Personnel Brand Protection Agreement (see Exhibit "A-5") and Our then-current form of the Franchise Relationship Acknowledgement attached as Schedule "A-5.1" to the Personnel Brand Protection Agreement Although We provide You these forms, You are responsible to conform them to the laws and regulations of Your state. You shall promptly deliver a copy of all such agreements to Us within 10 days of hiring of the respective Personnel.

6.1.11 Insurance.

(i) Minimum Limit Requirements. You shall at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from Our designated supplier if We have one in Your area, or a company rated "A" or better by A.M. Best & Company, Inc.:

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	$1,000,000 per occurrence and $2,000,000 in the aggregate, whichever is greater
Property Insurance	100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage
Commercial Automobile Insurance (only required if you provide any delivery or off-site assistance)	At least $250,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Business Interruption Insurance	Time covering at least 75% of Your annual revenue or the actual loss sustained, whichever is greater
Government Required Insurances	~~You must maintain and keep in force all~~All worker's compensation and employment insurance on your employees ~~that is~~as required under all federal and state laws.

(ii) Policy Requirements. Other than worker's compensation, these policies must insure You and Us (specifically Real Deals, Inc. at 1411 E. 4400 N., Buhl, Idaho 83316) and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance, or operation of the Franchise ~~Business wherever it may be located.~~Shoppe wherever it may be located. Your insurance is primary and non-contributory. Any insurance obtained by Us is solely for Our benefit and not for the benefit of You or Your Franchise Shoppe. These policies must include a waiver of the insurer's right of subrogation against Us

and provide coverage for Your indemnification obligations under this Agreement. These policies must stipulate that We will receive a 30-day written notice prior to renewal or termination, and We must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

~~These insurance coverage requirements are only minimums.~~ You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If You fail to obtain insurance and keep the same in full force and effect, We may obtain insurance at Our discretion and You must reimburse Us the premium costs, plus an administration Fee for Our time (see Exhibit "A-3"). We may periodically increase the amounts of coverage required and/or require different or additional coverage. We have the right to require that You obtain from Your insurance company, and subsequently provide to Us for Our review, a report of claims made and reserves set against Your insurance (commonly known as "loss runs"). We may, during the term of this Agreement, require that You use a designated vendor for insurance. If Your Premises are damaged and covered by insurance, You must use the proceeds to restore the facility to its original condition no later than 160 days from receiving the proceeds.

(iii) Continuation of Policy. Regardless of the amounts We state above, it is Your responsibility to maintain adequate insurance coverage at all times during the term of and after the expiration of this agreement, so that coverage, Including any policies that are on a "claims made" basis, which through the purchase of an extended reporting endorsement (i.e., "tail" insurance) will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a 24-month period following the end of the policy period.

6.1.12 Pricing. We may, to the degree permitted by law, suggest retail prices and specify maximum and/or minimum pricing You may charge for products and services. If We impose a maximum price for any product or service, You may charge any price for the product or service up to and Including the maximum pricing We impose, but You may not charge any price in excess of the maximum pricing. If We impose minimum pricing for any product or service, You may charge any price down to and Including the minimum pricing imposed, but You may not charge any price below the minimum pricing set by Us. Unless otherwise agreed to by Us in writing, You cannot advertise or promote prices lower than, or inconsistent with, Our suggested prices outside of Your Premises. Our pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.13 Computer and POS System. ~~We will provide You with Your point of sale ("POS") system, that includes two terminals and along with a cash drawer, receipt printer, barcode scanner, credit card reader doc, iPad stand and POS Go for each terminal.~~ At Your expense, You must purchase or lease a computer and two-terminal point of sale ("POS") systems, a computer or tablet, and other hardware and software systems designated by Us in strict accordance with Our specifications and capable of interfacing with Our computer system and software. We can mandate the forms of payment that You can or must accept. If We adopt a different computer system, POS system or other system in the future, You must adopt it at Your expense, and in the time We require. You must maintain, repair, modify and upgrade all such items at Your sole expense. You must provide Us full 24-hour 7 day a week access, Including online access, and the right to "upload" or "download" information to and from all POS, computer and other systems, and to the information and data contained in them. We can require You to obtain a static IP address from Your internet provider. There is no contractual limitation on Our right to receive information through Your computer, POS or other systems or to the frequency and cost of the obligation to upgrade and maintain them. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, act, omissions, or otherwise of any computer, POS, hardware or software system (not related to Our or an affiliate's acts or omissions).

~~(i) Third-party Network. You must, at Your cost, maintain membership in a designated third-party network for the purpose of implementing, transmitting, collecting and maintaining any Information or data exchange system. There is no contractual limitation on Our right to receive information through computer, POS or other systems. You will use any software We designate from time to time. You agree to pay the current monthly service fee to Us or an approved vendor for a subscription to Real Deals University, an online portal.~~ (i

~~(ii) Accounting Systems. You must use and pay for the accounting software designated by Us. You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. You shall provide Us with independent, view-only access to Your account.~~

~~(iii)~~ Retention of Records. You must record all sales at the time of the sale in Your computer and/or POS system, or other sales recordation system approved or designated by Us. You must have high-speed, broadband Internet access at the levels required in the Manuals. You must retain all POS and computer records, charge account records, sales slips, orders, return vouchers, sales tax reports and all Your other business records and related back-up material, tax returns and financial reports for at least five years following the end of the year in which the items pertain, Including after the Termination of this Agreement. Any data collected or provided by You, downloaded from Your POS System, or otherwise collected from You by Us or provided to Us, is and will be owned exclusively by Us, and We have the right to use the data in any manner without compensation to You. During the term of this Agreement, You are licensed, without additional compensation, to use such data solely for the purpose of operating Your Franchise Shoppe. This license will automatically and irrevocably expire, without additional notice or action by Us, when this Agreement Terminates.

~~(iv~~

(ii) Accounting Systems. You must use and pay for the accounting software designated by Us. You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. You shall provide Us with independent, view-only access to Your account.

(iii) Merchant Account and Customer Relation Management Software. At Your expense, You must participate in Our merchant account and other point of sale programs as set forth in Our Manuals. ~~We also reserve the right to require You to pay for a designated Customer Relation Management Software in the operation of Your franchise.~~

(~~v~~iv) Data Security Standards. At Your cost and expense, You must investigate and ensure that You comply with all payment card industry ("PCI") and data security standard ("DSS") standards, regulations, and requirements; however, We reserve the right to approve of the supplier You use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse Us for all costs related to the audit if You are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing PCI requirements Including quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, Including, security threats, breaches, and malware. It is Your responsibility to alert Us, not later than 24-hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect Customer Data and to notify relevant parties. You are not permitted to collect, store, transfer, etc. any unnecessary customer information.

6.1.14 Conferences and Seminars. At Our discretion, We may hold annual conferences or seminars on a regional or national basis for all franchisees in good standing. If We determine to hold a conference or seminar, attendance is mandatory for Your Operating Principal, and You shall pay Our then-current "convention fee" identified in Exhibit "A-3" of this Agreement. The conferences and seminars may be held at various locations chosen by Us. If You do not attend, You will be charged and required to pay the then-current convention fee, and, as determined solely by Us, You may be required to attend an additional training at Our headquarters and pay the then-current Fee for additional training identified in Exhibit "A-3." If any conference or seminar is held You shall pay all travel, lodging, food, and other expenses for each of Your attendees.

6.1.15 ~~Non-Delegation of Obligations. You may not outsource any part of Your services to a third party, including to another franchisee without Our prior written approval.~~Required Software; Technology. You must use and pay for all software and other technology and platforms as required by Us,

which may be changed from time to time. You must timely input all required information into Our designated software and platforms as set forth in Manuals. You must follow all laws and regulations in storing Customer Data and in submitting information to Us.

6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise ~~Business~~Shoppe. You shall establish and maintain an image and reputation for Your Franchise ~~Business~~Shoppe consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You shall strictly follow Our System, Manuals, formulations, and other directives promulgated or provided by Us from time to time.

(i) Email Address. You must at all times use and maintain the email address provided by Us or approved by Us for use in relation to Your Franchise ~~Business~~Shoppe, frequently checked by You to facilitate Our communications. We will provide an email address to You that You must use as the sole email for all Franchise ~~Business~~Shoppe-related communications and accounts. If We provide You with an email account/address, such email account belongs to Us, and We have the right to access Your email account, and You understand and acknowledge that You have no expectation of privacy in the assigned email accounts. We also have the right to issue You a different email account/address at Our sole discretion. All Social Media You develop, or use must be attached only to the email address We provide to You or that is approved by Us.

(ii) Incentive Programs. If We adopt a loyalty, coupon, gift card/certificate, free giveaways, fundraising programs, membership, subscription model, or other discount or incentive program, You are required to implement and honor such a program in Your Franchise ~~Business~~Shoppe. You are not allowed to implement any sort of coupon, loyalty, membership, subscription model, gift card program, etc., without Our prior written permission. The method of sales and pooling and reconciling the funds for all such programs will be determined by Us at Our sole discretion as set forth in the Manuals.

(iii) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals, operations, etc. We may issue new specifications and standards for any aspect of Our System~~,~~ or modify existing specifications and standards~~,~~ at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You must accept, comply with, use, and implement ~~any and~~ all such changes to the System or operations. The modifications may obligate You to invest additional capital in Your Franchise ~~Business~~Shoppe and to incur higher operating costs. You must incorporate all such modifications within the time that We specify. You are prohibited from making modifications to the System or Your Franchise ~~Business~~Shoppe without Our prior written approval.

(iv) Inspections and Visits. We may conduct periodic evaluations, inspections, and audits of any or all aspects of Your Franchise ~~Business~~Shoppe at reasonable intervals by Our duly authorized representative for compliance with the System, reporting, inventory, vendor use, customer service, and the standards and procedures set forth in the Manuals. These inspections may be conducted in-person or through remote access such as video or live video conferencing. We may conduct inspections without prior notice to You. Our inspections may Include Your Premises, business records, bank accounts, Venmo (and the like), operating procedures, reports, computer drives, electronic storage devices, POS system, account records tax records, etc., related to the Franchise ~~Business~~Shoppe. We are not required to provide You with advance notice or inform You when an inspection is taking place. We also have the right to speak with and interact with your ~~employees, independent contractors~~Personnel, and customers, and to remove samples of products, supplies and materials. Immediately upon Our request, You ~~must~~shall provide to Us video and/or images of the interior and exterior of Your Premises, and any specific pieces of equipment or other areas of the Premises as may be more fully set forth in the Manuals. You will be charged a Fee (see Exhibit "A-3" if You fail to comply with the System after an inspection and notice, and We reasonably determine a re-inspection is necessary**.** If

any inspection reveals that You are in noncompliance with Our System, We have the right to send a notice of default and opportunity to cure, unless the default is non-curable, at which point We shall have the right to immediately terminate this Agreement. In the event You fail to cure any default, We have the right to immediately terminate this Agreement.

6.2.3 Interim Management. If We give You notice of default and You fail to cure (or as set forth in Section 14.10), and We choose not to terminate this Agreement, We have the right at Our sole discretion (but not the obligation) to step in to manage Your Franchise ~~Business~~Shoppe for up to six months as We deem advisable for a Fee. See Exhibit "A-3." This Fee reflects the estimated fair market value of Our services. You shall also pay all travel, lodging, food and other expenses for Our representatives and other expenses that may be incurred by Us to perform such services, plus royalties, advertising fees and other applicable fees.

(i) Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise ~~Business~~Shoppe. We will work directly with Your Operating Principal and Your manager, and We may require additional training for Your Operating Principal, Your manager, ~~employees,~~ and other ~~contracted personnel.~~Personnel. You shall cooperate to provide Us with all pertinent information regarding Your Franchise ~~Business~~Shoppe and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You shall add Us or Our representative as a co-signer on certain accounts. ~~You shall cooperate with Us in communicating with all vendors and suppliers related to Our interim management.~~ You hereby grant Us permission to speak directly with Your landlord, suppliers, banks, IRS state agencies, creditors, etc., regarding Your Franchise ~~Business~~Shoppe, and You shall cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Franchise ~~Business~~Shoppe during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction when possible. You are ultimately responsible for all operating costs ~~both before and~~ during the Interim Management Period. You shall provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise ~~Business~~Shoppe to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise ~~Business~~Shoppe, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your ~~employees and contract personnel~~Personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary or any type of fiduciary relationship over or in relationship to Your Franchise ~~Business~~Shoppe.

(ii) Your Obligation to Cure. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

6.2.4 Mystery Shopper Service. We reserve the right, from time to time, at Your expense and without prior notice to You, to evaluate the operation and quality of Your Franchise ~~Business~~Shoppe through the use of a secret shopper service provided by Us or a third party. You are required to immediately pay all invoices for such services directly to the third-party provider in addition to Our fee (see Exhibit "A-3"). We may use such service evaluations to inspect Your Franchise ~~Business~~Shoppe at any time at Your expense, without prior notification to You. We may make the results of any service evaluation available to You, in Our sole discretion.

~~6.3 Miscellaneous Obligations.~~

6.3 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You in the day-to-day operation of Your Franchise Shoppe.

6.4 Required Notices. You shall provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owing to any vendors, landlords, or amounts owing to Personnel.

6.5 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Us, Our officers, owners, partners, directors, members, managers, representatives, agents or employees, the brand, the System, Our products and services, or other franchisees.

6.6 Non-Delegation. You may not outsource to a third party, any part of Your obligations to Us or services to customers, Including to another franchisee, without Our prior written approval.

~~3.1~~

6.7 Personal Guarantees. Each ~~individual owner, partner, shareholder, and member~~Owner of Your Franchise ~~Business~~Shoppe, respectively, who owns an interest in the franchise business must each personally sign ~~an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and agree to be personally bound by, and liable for, the breach of every provision of this Agreement. The~~the Guaranty and Assumption of Obligations is attached as Exhibit "A-8" to this Agreement.

~~6.3.2~~8 Miscellaneous Obligations.

6.8.1 Drug Testing. We may require You and Your management ~~employees~~Personnel to submit to random drug testing at the time and place We feel necessary to ensure Your compliance with Our policies regarding drug use in the System; however, We are under no obligation to perform such testing on Our or Your behalf. You are required to provide Us a copy of all drug testing results within 30 days from the time You receive such test results.

6.~~3.3~~8.2 Vending Machines. No vending machine, amusement devices, jukeboxes, or other devices of similar nature, whether or not coin operated, are allowed to be installed or used on the Premises without Our prior written consent.

6.8.3.~~4~~ Signature Compliance. You are required to return this Agreement and all Exhibits fully and correctly signed to Us, within 30 days of the date of this Agreement. You must also provide all required initial and ongoing notices, documents and certificates in the time as set forth in this Agreement. Failure to comply with this Paragraph 6.8.3.~~4~~ could result in a fine for Your non-compliance as set forth in Our Manuals, but in no event will this amount be less than $300 (see Exhibit "A-3").

~~6.4 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You.~~

~~6.5 Required Notices. You shall provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owing to any vendors, landlords, or amounts owing to employees or contractors.~~

~~6.6 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Us, Our officers, owners, partners, directors, members, managers, representatives, agents or employees, the brand, the System, Our products and services, or other franchisees.~~

~~6.7 Non-Delegation. You may not outsource to a third party, any part of Your obligations to Us or services to customers, Including to another franchisee, without Our prior written approval.~~

ARTICLE VII
FRANCHISOR'S OPERATIONAL ASSISTANCE

7.1 Layout and Design. We shall provide You with general specifications for the Premises layout, signs, equipment and interior décor.

7.1.1 Suppliers and Products. We shall provide You with a list of specifications for approved products and a list of approved suppliers. We may add to or discontinue working with any of Our suppliers.

7.2 Operations Assistance. We shall furnish You with guidance relating to the general operation of Your Franchise ~~Business~~Shoppe and upon Your reasonable request make Ourselves available to consult with You by telephone, email, video conference, teleconference, or website posting during regular business hours during the continuing operation of Your Franchise ~~Business~~Shoppe. We are not required to provide additional training to You. If You feel additional training is necessary (such as management training), We will provide such training to You based on advance notice, availability of personnel and Your payment of a per day per person Fee (see Exhibit "A-3"). Our fee for this assistance increases after two visits to Your Franchise ~~Business~~Shoppe premises. If training is at Our headquarters Our fee will not change. You shall be responsible to cover the cost of travel, food, wages, lodging and other costs incurred by Your trainees or Our representatives, as applicable. We have the right to communicate directly with Your Operating Principal, designated managers, and assistant managers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.

7.2.1 Mentor Program. We have the right to institute a mentor program where a current franchisee in good standing may provide initial and on-going services and support to You. In the event We institute a mentor program in Your Territory, You are required to communicate with the approved mentor, provide the mentor with unrestricted access to Your books, accounts, and records, and allow the mentor, as We designate or approve, to step in and provide services to You that would otherwise be performed by Us. For the purposes of this paragraph, the term "mentor" Includes the mentor's designated representatives as approved by Us.

7.3 Opening Assistance. We will provide You with up to three of Our representatives, who will provide You with up to 32 total/cumulative hours of opening assistance (opening assistance is usually accomplished by two or three trainers working three 8-hour days) prior to Your opening to assist with Premises set up and design and operating procedures until setup is complete. We will use Our opening checklist to determine when setup has been completed. Your Premises opening checklist should be completed prior to the arrival of Our trainers. You must have also obtained all necessary permits and all Your POS system and other equipment must be installed and functioning for Us to provide this assistance. There will be no charge for this training unless the Premises set up and design takes longer than 32 hours total/cumulative between two or three representatives. If more than 32 total/cumulative hours is required to set up and design Your Premises, You must pay Us for the extra time spent by Our representatives at Our then-current hourly rate (see Exhibit "A-3"), plus all additional travel, lodging, food, and other costs incurred by the trainers.

7.4 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, audio recordings, bulletins or other written materials.

7.5 Website Maintenance. We shall maintain a website for the Real Deals on Home Décor® brand that will Include Your business and contact information for Your ~~location~~Shoppe.

7.6 Advisory Committees. In Our sole discretion, We may choose to create franchisee committees to advise Us in various aspects of the System. Only franchisees who are in good standing and have maintained good standing for the six-month period prior to serving on a committee may serve on any advisory committee. Each committee will establish rules for admitting and retaining committee members, but the initial rules will be established by Us.

ARTICLE VIII
PURCHASE OF PRODUCTS

8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, carry, and sell only those goods, and services that meet Our specifications and/or that are purchased from Our approved suppliers. You shall timely pay all suppliers, Including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (Including Us and affiliates) without prior notice at any time. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No goods or services may be added to, altered, or discontinued by Your Franchise ~~Business~~Shoppe unless it is first approved by Us in writing. Any additional goods or services that are unique to Your area requires written approval from Us before such goods and/or services are offered. For the purpose of this Article, "goods" means any product, good, inventory, supply item, equipment, tool, item, etc.

8.2 Supplier Compensation. We or Our affiliate will derive revenue from the sale of required goods and services through mark-ups in prices ~~We charge~~charged to You for goods and services purchased from Us or an affiliate, or We or an affiliate may receive compensation or discounts from the supplier for Your purchase of such goods and services. No compensation is due to You for compensation or discounts We receive from suppliers.

8.3 Unapproved Suppliers. If You desire to purchase any goods or services from an unapproved supplier, or if You would like Us to consider alternative goods, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples and other data to permit Us to ascertain whether any such supplier or good has been approved. We will notify You in writing and within 30 days of completing Our evaluation as to whether that supplier or good has been approved. Within 30 days of the evaluation, You shall reimburse Us Our costs and expenses of testing, but in no event will Your payment be less than $500, whether or not the requested supplier is approved (See Exhibit "A-3.") A supplier ~~who~~or good that is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier (or good) for Your Franchise ~~Business~~Shoppe only or for the System as a whole. We may make changes in the standards and specifications for approved suppliers~~.~~ and/or goods. At Our discretion, We may revoke Our approval of an approved supplier and/or good upon 30 days' prior written notice.

8.4 Inventory Levels. You must maintain minimum inventory levels. Such inventory levels will be based on the square footage for Your Franchise ~~Business~~Shoppe and will be set forth in Our Manuals and may be revised from time to time. You will continuously offer all inventory items specified by Us.

8.5 ~~Equipment~~Maintenance. You shall maintain all equipment of Your Franchise ~~Business~~Shoppe in good working order. If You fail to replace equipment, inventory, signs, furniture, tools, etc., that We reasonably feel is outdated, damaged, in need of repair, obsolete, etc., at Our sole discretion, We may replace those items for You, and You would be required to reimburse Us Our costs, plus a fee (see Exhibit "A-3") for Our time within 15 days of invoicing..

8.6 Warranties; Support. You must look to the respective manufacturers or suppliers for issues related to warranties defective products, training, delivery, installation and support for any third-party goods purchased for Your Franchise ~~Business~~Shoppe. We will replace defective items purchased directly from Us pursuant to Our standard limited warranty, if any. ~~We do not assist with delivery or installation of any required or approved purchases.~~

ARTICLE IX
MANUALS

9.1 Manuals. We shall loan You a copy or provide electronic access to Our Manuals. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property. The Manuals may be used by You only in association with Your Franchise ~~Business~~Shoppe and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion. You must promptly and continuously comply, at Your expense, with all provisions of and modifications to the Manuals. The master or most updated copy of the Manuals maintained by Us will ~~be controlling~~control in the event of

a dispute relative to the contents of the Manuals. You are responsible for ~~periodically~~frequently checking the Manuals and updates to ensure that You are aware of and compliant with the most up-to-date information and ~~system~~System requirements.

9.2 Standards and Procedures. We may establish performance procedures, standards, and specifications ("Standards") for the operation of Your Franchise ~~Business~~Shoppe. We may change these Standards at Our discretion, and You must strictly follow and implement all such Standards within the periods required by Us.

ARTICLE X
MARKETING

10.1 Marketing Fund. We have the right to institute and currently do maintain and administer a national Marketing and brand development fund ("Marketing Fund") for Marketing activities as We, in Our sole discretion, may deem necessary or appropriate to Market the System. The Fees for the Marketing Fund are listed in Exhibit "A-3." We can terminate, suspend, or postpone the Marketing Fund at any time. Upon termination of the Marketing Fund, the unused funds will either be returned to those that contributed the funds, or We will cease to collect new funds while We spend the remainder of funds.

10.1.1 Marketing Fund Administration. We will direct all such programs, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the Marketing or public relation efforts; 3) the placement, timing, and allocation of such programs; and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Marketing Fund can be operated through an entity separate from Us that has all Our rights and duties relating to the Marketing Fund. We are not liable for any act or omission with respect to the Marketing Fund or otherwise that is consistent with this Agreement, or which is done in subjective good faith. The Marketing Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Marketing Fund and Marketing efforts intended to benefit the System. We have the right to loan money to the Marketing Fund to cover any deficits. The Marketing Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement and We disclaim any such relationship.

10.1.2 Use of Marketing Fund Fees. We may use the Marketing Fund to offset a portion of direct costs to manage and maintain the Marketing Fund, Including the payment of staff salaries and other expenses for those groups who may be involved in Marketing Fund activities. We may receive payment for providing goods or services to the Marketing Fund. We reserve the right to use fees from the Marketing Fund to place Marketing in national or regional media. We are not required to spend any amount on Marketing directly in Your area or Territory, and We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent and proportionate to contributions to the fund by other franchisees operating in any geographic area. We make no representations that Marketing expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. We reserve the right to use Marketing Fund fees to solicit additional franchisees. Any unused Marketing Funds in any calendar year will be applied to the following years' fund. You may request (in writing) an unaudited annual report of the previous year's Marketing expenditures once each calendar year~~.~~ and We will provide the report within 90 days of request.

10.2 Marketing Cooperative. At such time as We determine that there are a sufficient number of franchises in a Marketing Area (defined below), as designated by Us, We may form a local and/or regional Marketing cooperative covering such areas as We, in Our discretion, deem appropriate, and We may disburse such funds as We believe appropriate from the Marketing Fund to any such local and/or regional Marketing cooperative for local and/or regional Marketing. We have the power to require cooperatives to be formed, changed, dissolved or merged at any time. You are not required to join or contribute to more than one advertising cooperative for the same Franchise Shoppe.

10.2.1 Governing Documents and Financial Statements. We will develop or approve the governing documents and make them available to all franchisees within the cooperative area. The cooperative will be required to prepare annual unaudited financial statements, and these will be available to

all franchisees in the Marketing cooperative for review. No changes may be made to the governing documents without Our prior written approval.

10.2.2 Membership and Voting. Upon the formation of a local or regional Marketing cooperative, You will automatically be deemed to be a member of such association that covers the area in which Your Franchise ~~Business~~Shoppe is located and will be bound by any decisions made by the Marketing cooperative upon a majority rule by members voting. Voting will be ~~on the basis of~~ one vote per company or affiliate owned location or franchise unit in good standing in the Marketing cooperative. If We or affiliates have a company or affiliate owned unit in the Marketing Area, We or Our affiliate will also become a member of the association. A "Marketing Area" is defined as a market with two or more units in the same television, radio or newspaper market, as determined by Us.

10.2.3 Contributions. All franchisees within the Marketing cooperative area will be required to join and contribute to the fund pro rata based on the number of units in the cooperative. Contributions to the Marketing cooperative will be credited toward your local Marketing obligation. The cost of Marketing programs will be allocated among the members in the cooperative area and each member must contribute equally to the local cooperative fund based on a per franchise unit basis in the cooperative area. You will be required to contribute to the Marketing cooperative in the amounts and frequency as determined by its voting members, but such Fees and costs will not exceed ~~1% of~~ Your ~~annual Gross Sales~~local Marketing requirement unless all voting members of the cooperative decide to exceed the limit (~~See~~see Exhibit "A-3.~~")~~"). We can require that contributions be made at a different frequency.

~~10.3 Local Marketing Requirement. You are required to Market locally as set forth in Section 5.3.2. In addition, and upon request, You must submit an itemized report to Us documenting proof of expenditures for local Marketing in a form We may require. We have developed an ongoing marketing program that involves such things as open houses, door prizes, and product discounts. You are required to participate in these local Marketing and promotion programs. You agree to work directly with our marketing agency as they continue to develop Marketing programs.~~

~~10.4~~10.2.4 Audit. We and Our designated agents will have the right to examine, copy, and audit, at Our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Marketing cooperative.

10.3 Sample Marketing Materials. We may provide You samples of Marketing materials developed by Us from time-to-time. Additional copies will be made available at cost, plus 10%, plus shipping and handling listed on Exhibit "A-3."

~~10.5 Your Obligations to Market.~~ 10.4Your Obligations to Market. You shall participate in all Marketing programs as directed by Us and to use all materials, mediums, and other information made available to You in doing so. Additionally, You are required to Market locally as set forth in Section 5.3.2. In addition, and upon request, You must submit an itemized report to Us documenting proof of expenditures for local Marketing in a form We may require. Neither We nor You are restricted from Marketing in the Territory. You are prohibited from targeted advertising and marketing (including radio, tv, print, mailing) outside Your ~~territory~~Territory unless you are emailing a customer that has been to your store and provided their contact information.

10.~~5~~4.1 Approval of Marketing. You may develop Marketing materials and digital Marketing programs for Your use at Your cost, but You must submit to Us, prior to publication, copies of all Marketing materials, proposed to be used by You, Including any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published, and such other information as may be reasonably requested by Us. All such materials must be approved by Us in advance and in writing in accordance with Our Manuals. Submitted Marketing materials will be deemed approved if You do not receive written approval or disapproval within 10 business days of the date We receive the submission. We have the right to disapprove previously approved Marketing material at any time.

10.~~5~~4.2 Marketing Compliance. All Your Marketing activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and System. You shall participate in all Marketing, email, texting, and other programs as developed or instituted by Us,

Including the collection of Customer Data and participation in using and promoting apps, as developed by Us.

10.~~5~~4.3 Additional Marketing Assistance. If You request additional Marketing assistance from Us or Our Marketing team, You must pay the then-current hourly fee charged by Us for operational assistance as set forth in Exhibit "A-3" of this Agreement.

10.~~6~~5 Websites and Social Media. You must strictly comply with Our policies and procedures regarding websites, Social Media sites, and Internet Marketing. We reserve the right to restrict Your use of these mediums in the future.

10.~~6~~5.1 Websites and Apps. You may not create a website or app for Your Franchise ~~Business~~Shoppe or use or obtain a domain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks without Our prior written permission. Additionally, You cannot market on the Internet, Including posting for resale, items on third party resale or auction-style websites such as eBay, Craigslist or Amazon, and You cannot claim any web listing on sites such as Yelp without Our prior written permission. We have the right (but not the obligation) to manage and control all online reviews for Your Franchise ~~Business~~Shoppe. With Our prior approval, You may be allowed to register listing on sites such as Yelp. To the extent that You have any web listings using Our Marks, You hereby assign such accounts to Us, and You must facilitate any transition and assignment with the online directory or Social Media platform within 30 days of the signing this Agreement or of creating such listing. We will control all content related to Your Franchise ~~Business~~Shoppe placed on Our website or other electronic media platform.

10.~~6~~5.2 Social Media. You will be able to create and manage Social Media for Your location, but all Social Media must strictly comply with Our policies and procedures and must be ADA compliant. We can require that You alter or remove a post, and You must also provide Us administrative access, usernames, passwords, and access to account information, and any other information related to Your Social Media activities related to the Real Deals on Home Décor® brand. You cannot change any login/password information without Our prior written approval, and You must supply Us with all changed/updated login/password information. We have the right to remove or require You to remove or alter any content We deem inappropriate or inconsistent with the Real Deals on Home Décor® brand. We reserve the right to restrict Your use of Social Media in the future. Additionally, You must sign the Digital, Social Media, and ~~Social Media~~ Listings Assignment Authorization ~~for Assignment~~ attached as Exhibit "A-9."

10.~~7~~6 Marketing Fund Council. At Our discretion, We may create a Marketing Fund council that provides input for how the Marketing Fund is used. We may appoint franchisees to this council. This council serves only in an advisory capacity and has no operational or decision-making authority. We have the ability to make changes to this council or dissolve it at any time.

ARTICLE XI
BREACH AND TERMINATION

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach this Agreement and fail to cure, if curable. If curable, You must cure all defaults within the times set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default and Termination.

No-Cure Period:

A. Insolvency; Receivership; Levy or Foreclosure. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization~~.~~, or a bill in equity or other proceeding for the appointment of a receiver of: (1) You; (2) Your Franchise Shoppe: or (3) another custodian for Your Franchise Shoppe or Operating Assets, is filed or consented by You, or if a receiver or other custodian (permanent or temporary) of Your Operating Assets or property, or any part of them, is appointed by any court of competent jurisdiction, or the real or personal property of Your Franchise Shoppe is sold after levy by any sheriff, marshal, or constable, or a suit is filed to foreclosure a lien or mortgage against any of Your Operating Assets and it is not dismissed within 30 days.

B. Repeated Breaches. You repeatedly breach (defined as three or more times during the term of this Agreement) the same or different conditions of this Agreement or the Manuals within a 12-month period.

C. Unauthorized Use. You duplicate the System or use Our Confidential Information or Intellectual Property other than in connection with the operation of Your Franchise ~~Business~~Shoppe and as authorized by Us.

D. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise ~~Business~~Shoppe, or Your misrepresentation to customers, Including deception relating to the source, nature, or quality of goods sold or services provided.

E. Abandonment~~.~~; Construction Stoppage. You abandon Your Franchise ~~Business~~Shoppe or You state or clearly demonstrate any intent not to operate the Franchise ~~Business.~~Shoppe; or if You abandon Your construction or stop construction of Your Premises for six or more weeks due to Your fault or neglect

F. Unauthorized Transfer. You Transfer or attempt to Transfer all or any part of this Agreement, Your Franchise ~~Business~~Shoppe, or any material portion of the property associated with Your Franchise ~~Business~~Shoppe, or an unapproved percentage of Your franchise entity, or You sublicense or attempt to sublicense to another any of the rights licensed to You hereunder or You otherwise fail, refuse, or neglect to obtain Our prior written consent or approval required hereunder.

G. False Reporting. You knowingly or intentionally conceal revenues, maintain false books or records, (Including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.

H. Crimes and Adverse Behavior. You commit, or are convicted of, or plead guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony, or a crime involving moral turpitude or dishonesty, or You engage in any conduct or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Our interest therein; or You make disparaging remarks against Us, Our management, ~~employees~~Personnel, the System, or Our brand to Our other franchisees or in a public forum, Including radio, television, newspapers, the Internet, or Social Media.

I. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use Our Confidential Information or Intellectual Property in violation of this Agreement. You hire or attempt to hire any employee of Ours or any of Our franchisees without written permission.

J. ~~Default~~Termination of Lease Agreement. Your Lease for the Premises is terminated.

K. Illegal Drug Use. You or Your officers, directors, members, managers or principals use illegal drugs or abuse prescription medication or refuse to submit to a drug test.

L. Failure to Obtain Financing. You fail to qualify for or fail to receive the necessary financing to open and operate Your Franchise ~~Business~~Shoppe.

~~M. Construction Stoppage. If You abandon Your construction or stop Your construction of Your franchise business for six or more weeks due to Your fault or neglect.~~

24-Hour Cure Period:

~~N.~~M. Public Safety. Your maintenance or operation of Your Franchise ~~Business~~Shoppe results in a threat or danger to public health or safety~~.~~ or You fail to cure a health code or safety violation within 24 hours of an inspection by Us or the applicable government agency.

5-Day Cure Period

~~O.~~N. Unauthorized Closure or Relocation. Your Franchise ~~Business~~Shoppe is closed for a period of three or more consecutive business days or not open for the business hours as required under this Agreement for three or more business days in any 30-day period without Our prior written approval, which consent will not be unreasonably withheld or delayed, or You move the location of Your Franchise ~~Business~~Shoppe Premises without Our prior written approval.

~~P.~~O. Failure to Use or Provide Access to a Designated Account~~;~~ Failure to Allow an Inspection or Audit. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or branded email account or You refuse to allow Us or Our designated representatives to conduct an inspection or audit, or You refuse to provide access to fully perform an inspection or audit.

15-Day Cure Period:

~~Q.~~P. Failure to Pay. You fail to pay any Fee or amount due and owing to Us, any of Our affiliates, or other designated, approved or other suppliers, vendors, or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

~~R.~~Q. Failure to Accurately Report. You fail to accurately report Your Gross Sales or fail to submit any reports or records required under this Agreement or the Manuals.

~~S.~~R. Unauthorized Product Resale. You post for re-sell items on any third-party re-sell or auction style website, without Our prior written permission.

~~T.~~S. Default Notice of Lease Agreement. You receive a notice of default under Your Lease.

~~U.~~T. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

30-Day Cure Period:

U. Owner Deadlock. Your Owners are engaged in a Dispute with one another (deadlock) that materially affects the operation of Your Franchise Shoppe or that We reasonably believe will materially affect the operation of Your Franchise Shoppe if left unresolved.

V. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement ~~for which~~and no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period. In the event of a default by You, all Our costs and expenses arising from such default(s), Including

reasonable legal fees and reasonable costs for Our ~~employee's~~Personnel's time related to the default(s) must be paid to Us by You within five days following Our demand for payment.

Notwithstanding anything to the contrary herein, We have the right, ~~to be exercised in~~at Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. If you fail to cure any default within the time allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement~~, and the~~. Our pursuit of any one remedy will not be deemed an election or waiver by Us to pursue any other additional remedies:

~~11.3.1~~ 11.3.1 Our Pre-Termination Options. We have the right to: 1) suspend all services provided to You under this Agreement or otherwise, Including training, Marketing assistance, access to Our software platforms and accounts, and the sale of products and supplies; or 2) eliminate listing You in any Marketing materials, Including any directory listings, approved or published by Us, and Our principal website or Social Media platforms. We may continue taking these actions until You comply with the requirements of any default notice that We have sent to You, and We acknowledge Your compliance in writing. The options in this Section 11.3.1 will have no effect on and will not release You from any obligation You owe to Us or Our affiliates.

11.3.2 Actionable Claim. Bring an action or claim for the balance of any monies due hereunder, Including, penalties and interest as provided for in this Agreement and for all other damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate and bring an action against You for the balance of any outstanding installment obligation due hereunder.

11.3.~~2~~3 Injunctive Relief. Bring an action against You for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.

11.3.~~3~~4 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.

11.3.~~4~~5 Other Remedies. Seek any other remedy available to Us at law or in equity, Including lost profits.

11.4 No Right of Termination. You may not terminate this Agreement~~; however~~. However, some states may allow You to terminate as permitted by state law.

11.5 Opportunity to Cure. Prior to taking any action against Us, You must first give Us 60 days' prior written notice and an opportunity to cure any alleged act or omission. If such an act or omission cannot be cured within such a 60-day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

ARTICLE XII
TERMINATION AND EXPIRATION

12.1 Upon Termination of this Agreement for any reason You immediately cease to be Our franchisee~~. To be compliant with Your Termination obligations, you shall sign a termination agreement in a form provided and acceptable by Us and You~~ and must:

12.1.1 Payments Due. Immediately pay for all Fees and other obligations owed or accrued to Us, Our affiliates or designated suppliers.

12.1.2 Cease Use. Not hold Yourself out as a Real Deals on Home Décor® franchisee or business and immediately and permanently cease to Market or in any way use Our Intellectual Property or Confidential Information provided by or licensed to You by Us or in any way connected with the Franchise ~~Business~~Shoppe or System.

12.1.3 Disassociation. Within five days of termination, take all necessary steps to disassociate Yourself from the System and Your Franchise ~~Business~~Shoppe, Including the removal of signs, destruction or removal of letterheads, Marketing materials, the change of Your Franchise ~~Business~~Shoppe telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our brand or is affiliated with Our brand. All such property and listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand, Intellectual Property, and System revert back to Us upon ~~termination~~Termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to dissociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) the telephone listing, telephone numbers, Marketing accounts, e-mail addresses, URL's, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers, which appointment is coupled with an interest. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.4 Cancel DBA. Within five days of termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.5 Notify Suppliers; Communication with Customers. Immediately notify all suppliers, utilities, creditors, and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. All communications with customers and clients of the Franchise ~~Business~~Shoppe must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers and clients of the Franchise ~~Business~~Shoppe.

12.1.6 Return Materials. At Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail, (Including originals and any copies) physical copies of Our Manuals, all training materials, Marketing and all other printed and electronic materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your Franchise ~~Business~~Shoppe.

12.1.7 Modification of Premises. If We do not exercise Our right to purchase Your Operating Assets or assume Your Lease upon Termination, then You shall alter, modify and change both the exterior and interior appearance of the Premises to Our satisfaction, so that it will be easily distinguished from a Real Deals on Home Décor® businesses and shall cease using the signs, displays, advertisements, promotional materials and the like that are unique or distinctive to the System.

12.1.8 Customer Data. To the extent We do not have access, You shall provide Us with (and then permanently destroy) the Customer Data of the Franchise ~~Business~~Shoppe.

12.1.9 General Release. Execute a general release by You and Your guarantors within 10 days of Termination.

12.1.10 Gift Card Reimbursement Fee. You must provide Us with an accounting and list of all outstanding gift cards and gift certificates as of the date of Termination, and You shall refund all customer gift card and gift certificate amounts as required under Your state's applicable laws. In the event We are required to pay any customer reimbursement amounts, You shall pay Us the reimbursement amount, plus a Fee in each instance for Our time. Additionally, to the extent You do not reimburse the customer, You must reimburse Us the amount of unredeemed customer gift cards and gift certificates purchased from You, plus a Fee in each instance for Our time. Subject to state law.

12.1.11 Evidence of Compliance. Otherwise furnish evidence satisfactory to Us or in the manner required by Us of Your full compliance with this Section 12.1 within 30 calendar days after the Termination of this Agreement or on the timeline We may provide at Termination.

12.1.~~11~~12 Financial Inspections. You must provide Us with access to all Your financials, books, and other accounting records for 12 months following the date of Termination.

~~12.1.12 Pay Damages and Costs. Pay to Us all costs, damages and expenses, Including post-term expenses and reasonable attorney's fees incurred by Us to enforce the provisions of this Agreement, Including to obtain injunctive or other relief to enforce any provision of this Agreement. In the event You fail to comply with any requirements in this Section 12.1, You will be charged $350 per day for non-compliance, and, at Your expense, We may hire a third party or use Our own personnel to carry out Your obligations on Your behalf.~~

12.1.13 Pay Damages and Costs. In addition to any other remedy We may have under this Agreement and under law, in the event You fail to comply promptly with any of Your post-termination obligations, We may hire a third party or use Our own Personnel to de-identify Your Franchise Shoppe and/or to carry out any other post-termination obligations on Your behalf, for which costs You will be responsible. These costs will Include any attorneys' fees and costs incurred and associated with enforcing Your post-termination obligations. We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for these payments. Your reimbursement of Our costs will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XII, Our trademark rights, or the covenants to not compete. In the event You fail to modify Your Premises, You will be charged a fee (see Exhibit "A-3"). Immediately prior to sending notice of termination, We have the right to automatically debit Your Operating Account $5,000 in anticipation of the costs associated with enforcing Your post-termination obligations. This post-termination fee obligation will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Agreement and Your obligations. We will refund to You any unused portion of the $5,000 remaining. If the amount does not satisfy Your obligations to Us, You will pay the balance owing within 30 days of Our invoice to You.

12.2 Upon Termination of this Agreement for any reason:

12.2.1 No Compensation. No payment is due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise ~~Business~~Shoppe, or otherwise. All goodwill connected in any way with Your Franchise ~~Business~~Shoppe, or the System belongs now, and in the future, exclusively to Us.

12.2.2 No Refund. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You will have no equity or other continuing rights to use the System, Confidential Information, Intellectual Property or goodwill of the Franchise ~~Business~~Shoppe.

12.3 Survival of Provisions. All provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selections clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.

12.4 Make Premises Available to Us. In addition to those obligations set forth above, upon Termination, You shall make the Premises and computer systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations, and/or to operate a New Business at the Premises (see Paragraph 13.1.1(i) below) if We, at Our sole discretion, choose to do so. ~~If You fail to make the Premises available to Us, You will be assessed a Fee for the expense incurred by Us to enforce Our rights under this paragraph.~~

~~12.5 Fee for Non-Compliance; Payment of Our Costs in Securing Compliance. In addition to any other remedy We may have under this Agreement and under law, in the event You fail to comply promptly with any of Your post-termination obligations in this Article XIV: (a) You agree to pay Us daily Fee (see Exhibit "A-3") for each day that You are in default, as a reasonable estimate of the damages suffered by Us; and (b) to prevent further injury, We may hire a third party or use Our own personnel to de-identify Your Premises and/or to carry out any other post-termination obligations on Your behalf, for which costs you will be~~

~~responsible. These costs will include any attorneys' fees and costs incurred and associated with enforcing Your post-termination obligations. We will use the Deposit (as more fully set forth in paragraph 5.1.2 above) to offset any of these expenses and will have the additional right to automatically debit by EFT or other electronic withdrawal means, Your bank account for payments in excess of the Deposit, or We have the right to require You to pay the balance owing within 30 days of Our invoice to You. Any unused portion will be refunded to you. This post-termination fee obligation will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XII, Our trademark rights, or the covenants to not compete.~~

~~12.5.1 Additional Non-Compliance Costs. In addition to the daily post-termination non-compliance Fee, You will pay to Us: (a) the amount of expenses reasonably incurred by Us to perform any obligation that You failed to perform, calculated on hourly rates of Our personnel, and time, travel, lodging, food and other expenses where applicable; and (b) all damages, costs and expenses, Including attorneys' fees and costs incurred by Us in obtaining injunctive or other relief. All post-termination non-compliance fees and costs will be deducted from the Deposit.~~

12.5 Liquidated Damages. If this Agreement is Terminated, other than for an approved Transfer, non-renewal or mutual termination, in addition to other remedies available under this Agreement, We will be entitled to liquidated damages, not as a penalty, and solely to compensate Us for lost future royalties. You and We recognize the difficulty of calculating damages caused by lost future royalties but nevertheless recognize and agree that such damages could arise, and You and We hereby agree to the formula listed on Exhibit "A-3" as a compromise on the calculation of such damages. You and We agree that such amount will be reduced to the present value of such payments as of the date of Termination utilizing an interest rate of 5% compounded annually. This amount is payable within 10 days of Termination.

12.5.1 Additional Equitable Remedies. The amount contemplated under Section 12.5 does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Accordingly, as a purely liquidated damages provision, Section 12.5 does not preclude and is not inconsistent with a court granting Us specific performance, other damages set forth herein, or any other equitable remedies, such as an injunction, to prevent future breaches.

12.6 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII
PURCHASE OPTION

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your Operating Assets at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your landlord and other creditors, Including suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such communication), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed between us, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise ~~Business~~Shoppe or said items. We must exercise this option within 60 days of such Termination or within 15 days of the establishment of the price of the Operating Assets, whichever is later ("Option Period") by giving written notice to You of Our intent to exercise Our option to purchase. We have the right to use Your Operating Assets and Premises during the Option Period and in such case, We will pay You the fair market value of such use. We have the right to off-set any amounts You owe to Us against the purchase price. If We have not notified You of Our election to exercise this option within the Option Period, it will be conclusively presumed that We have elected not to exercise Our option, and You are then free to sell or transfer such assets to any person or entity on such terms as You may so choose, so long as the Operating Assets have been de-identified as set forth herein. If any of the Operating Assets are subject to liens, We may also withhold a portion of purchase price directly to the lienholder to pay off such lien. We may withhold 25% of the purchase price for 90 days to ensure that all of You taxes and other liabilities are paid.

13.1.2 Assumption of Lease. We have the right, during the Option Period, to assume Your Lease under the provisions of Section 4.2 above.

13.1.3 Warranties. The purchase contract for the Operating Assets, as set forth in Paragraph 13.1.1 above, will include standard representations, warranties, covenants and indemnities from You as to the Operating Assets being purchased, Including warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation and tax compliance.

13.1.4 No Goodwill. We have no obligation to pay for goodwill or other intangible assets or costs of Your Franchise ~~Business~~Shoppe.

ARTICLE XIV
SALES OR TRANSFERS OF THE FRANCHISE

~~14.1 Our Right of Assignment.~~14.1 Our Right of Assignment. You acknowledge that We maintain a staff to manage and operate the System and that staff members can change as Our owners, directors, officers, and Personnel come and go. You represent that You have not signed this Agreement in reliance on any shareholder, director, officer, or Personnel remaining with Us in that capacity. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns~~,~~, and We will no longer have any performance or other obligations under this Agreement. We may be sold~~,~~ or We may sell any part of or all Our Confidential Information and/or Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all ~~of~~ Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, Including arrangements in which: 1) the territories, locations or other facilities are, or are not, converted to the System or other format or brand (Including using the System or Marks), or 2) the System is converted to another format or brand, maintained under the System or a different system. You shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing. However, We will not re-brand any such businesses that are located inside Your Territory by allowing them to use the Marks.

14.2 No Assignment by You Without Our Approval. This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations Including representations of all current ~~owners~~Owners. Therefore, none of Your Franchise Assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained~~.~~ and consummated by signing a consent agreement as approved by Us. You shall provide Us with all documentation relating to the Transfer of Your Franchise Assets. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Paragraph 14.3 below, of the proposed transferee and its owners and officers.

~~14.2.1 Transfers to Competitors Prohibited. You cannot Transfer any part of Your Franchise Assets to a Competing Business or to owners of a Competing Business without Our written permission.~~ Any such Transfer without Our written approval is considered void ab initio.

14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, Including the net worth, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, Including that of the new Operating Principal, the terms and conditions of the Transfer, and any circumstances that would make the Transfer not in the best interests of Us or the System, Including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise ~~Business~~Shoppe with the potential transferee, including providing a proposed transferee with corrected information in addition to what You have provided. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer.

14.4 Application for Transfer. You must provide Us written notice of Your intent to transfer prior to listing or offering part of the Franchise Assets for sale, and upon any proposed Transfer of Your Franchise Assets, or any interest therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. ~~As a condition~~To offset some of Our ~~approving~~costs associated with the Transfer ~~of any part of Your Franchise Assets~~, You shall Us the non-refundable Transfer Fee listed in Exhibit "A-3" at the time of the approved Transfer.

14.6 Minority Interest Transfers. If a proposed Transfer is for less than 40% of Your entity (cumulative during the term of this Agreement), Including Your current owners, there will be no transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer and We will not be entitled to exercise Our right of first refusal as set forth in Section 14.9 below. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that a Transfer is subject to the restrictions of this Agreement. Additionally, any new Operating Principal and other applicable personnel are required to complete the necessary training as required by Us. Any new owner with an ownership in Your Franchise ~~Business~~Shoppe or Your entity ~~must personally guarantee~~ is required to sign Our then-current form of the ~~obligations of this Agreement.~~Guaranty and Assumption of Obligations attached as Exhibit "A-8" hereto. Furthermore, all applicable provisions of Section 14.8 below apply to minority interest Transfers as well.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer any part of the Franchise Assets, whether or not binding on Us, will be grounds for the immediate Termination of this Agreement, unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder, and You must comply with Our policies related to a Transfer as set forth in the Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements, and other documents.

14.8.2 ~~Written Proposal.~~Franchisee Application; Written Proposal. The transferee must complete and submit all application documents required by Us from prospective franchisees at the time of Transfer and be approved in writing by Us. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, ~~have the effect of negatively impacting the future viability of the Franchise Business.~~negatively impact the future viability of the Franchise Shoppe. If any part of the sale price is financed, You must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the Fees owing to Us and our affiliates pursuant to this Agreement.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, Including assuming Your Lease obligations, if applicable, in a form acceptable to Us, and the transferee(s) must provide personal guarantees approved by Us. See Section 6.~~3~~7 above.

14.8.4 New Franchise Agreement; Updates; Consent. At Our discretion, the transferee must sign the then-current form of the franchise agreement for a term equal to the remaining term of this Agreement, the remaining term of the existing Lease, or the term set forth in the then-current franchise agreement, or for minority interest transfers, You and We must amend this Agreement and its exhibits as necessary to reflect the change in ownership. You must also fully Update the Franchise ~~Business~~Shoppe and Premises to the level required of new franchisees. Additionally, You shall sign the appropriate paperwork to consummate Our consent to the Transfer.

14.8.5 Training. ~~The~~Unless We have previously trained the transferee, the transferee must pay the Fee for and complete the training or certification program required of new franchisees. See Exhibit

"A-3." The transferee is also responsible for the cost of travel, food and lodging for Our representatives or the transferee's attendees. You and the transferee and We must coordinate on the timing of training, so that Franchise ~~Business~~Shoppe does not have a gap in properly trained management.

14.8.6 Transfer Fee. You shall pay the transfer Fee set forth on Exhibit "A-3.~~"~~" or reimburse Our legal fees for minority interest Transfers as set forth in Section 14.6 above.

~~14.8.7~~14.8.7 Gift Cards; Pre-paid Services. You must provide Us and the proposed transferee with an accounting and list of all outstanding gift cards, gift certificates, and pre-paid visits as of the date of Termination, which must be taken into account and handled as a part of the purchase agreement between You and the transferee.

14.8.8 General Release. You must execute a general release releasing Us of any claims You may have against Us.

14.8.~~8~~9 Survival of Covenants. Your non-competition, indemnity, confidentiality obligations, the provisions relating to dispute resolutions, and other applicable terms of this Agreement, will survive any Transfer.

14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your Franchise Assets on such terms and conditions specified in a bona fide written offer from a third~~-~~ party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, Including the Franchise Assets proposed to be Transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer ~~and data~~ concerning Your Franchise ~~Business~~Shoppe, financials, ~~employee~~Personnel information, ~~and lease~~Lease information, etc. We will have 60 days ~~in which~~ to advise You in writing of Our election to have the Franchise Assets transferred and assigned to Us on the terms and conditions agreed to by the prospective transferee. Our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration Includes promissory notes, We or Our designee may provide promissory notes with the same terms as those offered by the proposed transferee). Should We elect to purchase the Franchise Assets proposed to be Transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe Us against the purchase price.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Franchise Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer, and any of those changes are more favorable to the purchaser, You must notify Us of the changes in writing and We will have an additional 10 days to elect to purchase the Franchise Assets proposed to be Transferred on the revised terms and conditions. Additionally, if Your Franchise ~~Business~~Shoppe is not Transferred to such third-party within four months after We elect not to purchase the Franchise Assets, You must re-offer the Franchise Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Franchise Assets.

14.10 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual franchisee or the majority owner of the franchisee entity (the term "incapacity" means any physical or mental infirmity that prevents the person from performing his or her obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 total days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise ~~Business~~Shoppe; for no more than 180

days after such death or incapacity (or such longer period required by the laws of the state where Your Franchise ~~Business~~Shoppe is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise ~~Business~~Shoppe as provided for Operating Principal, designated managers, or franchisees, Including the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise ~~Business~~Shoppe themselves under the foregoing procedures may choose to transfer Your Franchise ~~Business~~Shoppe. If a decision to transfer is made, the Transfer procedures explained above will apply. If We are required to operate Your Franchise ~~Business~~Shoppe for a time due to death or incapacity, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 Assumption of Obligations. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse, domestic partner, or a third-party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all the terms and conditions concerning Transfers set forth herein above.

14.12 Acquisitions. If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all Your rights and interests in and this Agreement and Your Franchise ~~Business~~Shoppe at fair market value payable on terms as reasonably negotiated. The purchase price will not include compensation for any successor term or goodwill. Local goodwill may be taken into account in determining the value of Your Franchise ~~Business~~Shoppe. Local goodwill is that goodwill which is established in the mind of the public within Your Territory, and only within Your Territory, discounted by Our Ownership of the Marks. If the purchase option is exercised, You must execute a general release to Us. We will close Our purchase and make payment within 60 days after closing or as soon thereafter as reasonably practical.

14.13 Transfer for Convenience of Ownership. If You are an individual or individuals, You may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership ~~(without paying a transfer fee to Us),~~ provided You: 1) give Us at least 15 days' prior written notice of the proposed Transfer; 2) send Us copies of the entity's charter documents, bylaws (or operating agreement), ownership interests of the owners, and similar documents, as We may request for Our review to verify ownership and control of the entity; and 3) own all equity and voting securities of the corporation or limited liability company; and 4) remain as a personal guarantor to this Agreement. Additionally, You and the new entity must sign an assumption and assignment in the form required by Us, whereby the transferee assumes all obligations of this Agreement~~, and all personal guarantors remain as personal guarantors after the Transfer. Furthermore, Your Operating Principal must continue in the same capacities as before the Transfer.~~. Any Owner of Your entity is required to sign Our then-current form of the Guaranty and Assumption of Obligations attached as Exhibit "A-8" hereto. There is no Fee for this kind of Transfer, but You must reimburse Our legal fees to complete the Transfer the amount of which is due upon Our demand of the incurred expenses.

ARTICLE XV
RELATIONSHIP OF THE PARTIES

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, joint employer, or joint venturer with Us and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, damages, losses, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise ~~Business~~Shoppe, Including its daily operations, managing and directing ~~employees~~Personnel, contractors, and salespersons and paying all costs and expenses of Your Franchise ~~Business~~Shoppe. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense, Including attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your ~~employees~~Personnel will be deemed to be Our ~~employee~~Personnel and each ~~employee~~Personnel will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We will guarantee the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing.

You must post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.

15.2 Indemnification. You shall defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including reasonable attorney's fees arising out of or related to, or in any way connected with You or Your acts, errors, negligence, or omissions in the operation of Your Franchise ~~Business~~Shoppe or Your Franchise ~~Business~~Shoppe generally, Including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your ~~employees~~Personnel, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counterclaim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a third~~-~~ party. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. Alternatively, We have the right to defend any such claim against Us by employing counsel of Our choice, subject to full reimbursement of all legal fees by You. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matters. You are not required to indemnify Us for liability caused by Our willful misconduct, gross negligence, strict liability, or fraud. This indemnity will continue in full force and effect subsequent to and notwithstanding the Termination of this Agreement.

ARTICLE XVI
COVENANT NOT TO COMPETE

16.1 In Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, You, Your Principals, and Your Immediate Family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location, except with Our prior written consent. Your owners must each execute the standard Brand Protection Agreement for Principals attached as Exhibit "A-4." ~~Your management personnel must execute Our Employee Brand Protection Agreement as attached hereto as Exhibit "A-5." Although We provide You this form, You are responsible to conform it to the laws and regulations of Your state. You shall promptly deliver a copy of all such agreements to Us within one week of hiring the respective employee.~~

16.2 Confidentiality. During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. You shall adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of ~~the~~ Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. You shall never contest the validity of Our exclusive ownership of and rights to Our Intellectual Property or Confidential Information. Without limiting the foregoing, any communication (email, paper, etc.) from Us to You cannot be forwarded to another email account You control or share, or forwarded to anyone, Including ~~employees~~Personnel, without first receiving Our express written consent.

16.2.1 Prior Disclosures. You acknowledge and agree that prior to the execution of this Agreement, You may have received information and met and corresponded with Our principals, agents and/or representatives and that any such Confidential Information obtained or received is subject to the protection and restrictions of this Agreement.

16.2.2 Confidentiality of this Agreement. ~~-~~You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You ~~will~~shall not make any public announcement, issue any press release, publicize, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders, advisors, and government authorities.

16.3 Post Term Covenants. Upon Termination of this Agreement and for a continuous, uninterrupted period of three years thereafter, You, Your Principals, and Your Immediate Family cannot, directly or indirectly, be a Participant or serve in any other capacity whatsoever or have any interest in or assist any person or entity in any Competing Business within Your Territory or within 20 miles of Your Territory or 10 miles of the territory of any Real Deals on Home Décor® business operation at the time of Termination of this Agreement. You will not divert or attempt to divert any business of or any customers of any Real Deals on Home Décor® business operations to any other competitive establishment, by direct or indirect inducement or otherwise.

16.4 Non-Solicitation of Customers. During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customer serviced by the Franchise ~~Business~~Shoppe, a prospective customer, or any former or then-current customer of Ours (with whom You had contact during the term of this Agreement) for the purpose of soliciting any such customer to a Competing Business. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

16.5 Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation.

16.6 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System. The existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants set forth in this Article.

16.7 Modifications. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, they will be reduced to that level which provides the greatest restriction, but which is still enforceable. You and We agree that such restrictions will be enforced to the fullest extent possible.

16.8 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then We have the right in Our sole discretion to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof, which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.

16.9 Immediate Family. You acknowledge and agree that the restriction on Your Immediate Family is necessary because Your disclosing Our Confidential Information or Intellectual Property to Immediate Family could potentially circumvent the purpose of this Agreement, and You also acknowledge that it would be difficult for Us to prove whether You disclosed Our Confidential Information or Intellectual Property to Immediate Family.

16.10 Immediate Family. You acknowledge and agree that the restrictions on Your Immediate Family is necessary because Your disclosing Our Confidential Information or Intellectual Property to Immediate Family or assisting Immediate Family in a Competing Business could potentially circumvent the purpose of this Agreement, and You also acknowledge that it would be difficult for Us to prove whether You disclose Our Confidential Information or Intellectual Property to Immediate Family or assist Immediate Family in a Competing Business. You agree to make Your Immediate Family aware of the non-compete, non-solicitation and confidentiality provisions in this Agreement.

ARTICLE XVII
DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any Disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us at Our then-current headquarters and within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services ("FAM") or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert, or counsel for any party with respect to the Dispute and any related matters. Mediation will not defer or suspend Our exercise of any right, Including Termination rights under Article XI. All aspects of the mediation process will be treated as confidential, may not be disclosed to others, and may not be offered or admissible in any other proceeding or legal action whatsoever. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this Agreement, and the Dispute may proceed directly to arbitration without mediation.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, any Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such Dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied, and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties. Any procedural or evidentiary issues that are not covered by the federal arbitration act or this Agreement, will be supplemented by the federal rules of civil procedures and evidence, limited to the arbitration restrictions and procedures. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, Including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within

the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple ~~plaintiff~~plaintiffs or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party.

(iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, indemnification under Article XV, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim. The initiation of mediation or arbitration hereunder will toll the applicable statute of limitations for the duration of any such proceedings.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained~~.~~ except for breach of the Intellectual Property covenants set forth in Article III herein. Notwithstanding the above, nothing shall be construed to limit Our ability to collect liquidated damages.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards, or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not include any trial *de novo* or other fact-finding function. The party ~~requesting such~~that requests the appeal must pay all costs and fees of the arbitrators and arbitration proceedings, subject to reimbursement as set forth below.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the cost of the mediation or arbitration, ~~the other~~that party ~~has~~will be in default of this Agreement, and the non-defaulting party will have the ~~right~~following options: 1) to proceed directly to arbitration without mediation or proceed to litigation if the failure is to pay arbitration fees; or 2) to cover ~~those~~the costs~~; however~~ of the mediator or arbitrator. Nonetheless, the prevailing party in arbitration, Including on appeal, will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform their respective obligations under this Agreement.

ARTICLE XVIII
NOTICES

18.1 Notices. All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) by sending an email to the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, addressed as follows:

FRANCHISOR:	**FRANCHISEE:**
Real Deals, Inc. 1411 E. 4400 N. Buhl, Idaho 83316 (or Our then-current headquarters) Email: FRANCHISE@REALDEALS.NET With a courtesy copy to (which will not act as notice or service to Real Deals, Inc.): The Franchise & Business Law Group Attn: Kara K. Martin 222 Main Street, Ste 500 Salt Lake City, Utah 84101 Email: KMARTIN@FBLGLAW.COM	_____ _____ _____ Email: _____

18.2 Delivery. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 Listed Addresses. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise ~~Business~~Shoppe or office.

ARTICLE XIX
CONSTRUCTION AND JURISDICTION

19.1 Governing Law. Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the state of Idaho without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein, but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal and subject matter jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We agree that Salt Lake City, Utah will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

19.3 Costs and Attorneys' Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties are entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration or litigation proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes the Party which obtains a judgment in their favor or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

ARTICLE XX
MISCELLANEOUS

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third-~~Party~~party Rights. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, Including those of a third-party beneficiary, under any contract, understanding or agreement between Us and any other person or entity, unless that contract, understanding, or agreement specifically refers to You by name and specifically grants rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith.

20.5 Joint and Several Liability. If more than one person, corporation, limited liability company, partnership or other entity, guarantor or any combination thereof, sign this Agreement on behalf of the franchisee, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You shall not offset or withhold the payment of any Fees, payments or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise ~~Business~~Shoppe, Including Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, government shutdown or mandate, or other similar causes which is beyond such party's reasonable control. This Section will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document. If any term of this Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.

20.11 Amendments. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement, and are binding.

20.12 Effective Date. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise ~~Business~~Shoppe depends in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise ~~Business~~Shoppe licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of Marketing assistance, site location, development or other services, operational assistance, or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise ~~Business~~Shoppe; 7) any location or territory will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variances. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises, or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

20.17 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between any third-party, or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of Our Franchise Disclosure Document ("FDD") for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us of any particular default by or obligation of You does not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit "A-2" are all the ~~owners~~Owners of and sole holders of a legal and beneficial interest in the franchise entity and in Your Franchise ~~Business~~Shoppe.

20.22 Drafting; Rules of Construction. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and have agreed to all its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement. Terms used in this Agreement that are not defined must be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision must be given the meaning that renders it enforceable.

ARTICLE XXI
DEFINITIONS

"Competing Business" means a home décor and/or furniture business, at wholesale or retail, or a business offering products or services the same as or substantially similar to those offered at Your Franchise ~~Business~~Shoppe or as part of the System during the term hereof or at the time of Termination. Such products and services Include home décor, furniture, home accessory, jewelry, clothing, and personal accessories.

"Confidential Information" means any non-public information (through no fault of Yours) relating to Our products or services, or operation of a Real Deal and Home Décor® business, the System, or relating to the System as a whole, Including: (i) methods, techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Marketing programs, sales techniques, pricing, bidding methods, etc.; (iv) the development and operation of Real Deal and Home Décor® businesses; (v) knowledge of, specifications for, and suppliers of, certain Real Deal and Home Décor® products, materials, supplies, equipment, furnishings and fixtures; (vi) operating results, margins, expenses, and financial performance of Real Deal and Home Décor® businesses; (vii) strategic plans and concepts for the development, operation, or expansion of Real Deal and Home Décor® businesses; (viii) the contents of the Manuals; (ix) all Customer Data; (xi) login, passwords, access information, etc., to email accounts, Social Media, Manuals or other internal sites or shared documents (xii) Intellectual Property that is generally deemed confidential; (xiii) all Innovations; ~~(xiv) Our Recipes;~~ and (xiv) any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.

"Copyright Materials" means ~~all writings, video and audio recordings, photographs, images, materials, Manuals~~even if it is not federally registered, writing, manuals, designs, blueprints, schematics, drawings, artwork, ~~websites, logos,~~ Marketing materials, ~~apps, and designs used~~agreements, contracts, scripts, pamphlets, instructions, books, literary works, documents, photographs, images, audio, music and jingles affiliated with the ~~Marks~~ brand, videos, recordings, Social Media posts, software, websites and website data, apps, or any other work We, You, other franchisees, or Our affiliates make that is in ~~association with~~a fixed tangible medium as part of the Real Deals and Home Decor® franchise system and authorized for use under the System.

"Customer" and "Client" whether or not capitalized have interchangeable meanings in this Agreement.

"Customer Data" means any and all customers, and customer and prospective customer data and lists, Including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers' information, etc., even if maintained by Your or deemed to have arisen through Your activities~~.~~ as well as payment activity, demographic information, product and services purchases and use, and their frequency as well as any feedback and reviews and any other information You or We may collect on such customers through Our system and processes either electronically or on paper or other means that You are legally allowed to collect and share with Us under state or federal law and under this Agreement. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

"Dispute" means any claim, controversy, disagreement, or dispute of any type whatsoever.

"Fees" refers to those fees, payments, and costs that You are required to pay to Us, as more fully set forth on Exhibit "A-3."

"Franchise Assets" means this Agreement, or any rights or privileges associated with this Agreement, or any shares or units in the ownership of Your entity, Your Franchise ~~Business~~Shoppe, or substantially all Your assets.

"Gross Sales" Includes the total of all sales of all goods and services sold, traded, bartered, or rendered by You and income of every kind and nature Including the value of a trade or other bartering, arising from Your Franchise ~~Business~~Shoppe and tangible property of every kind sold by You during the term of this Agreement. Gross sales also Includes insurance proceeds and/or condemnation awards for loss of sales, profits, or business. "Gross Sales" excludes bona fide credits or returns and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

"Including" or "Include(s)" means "including, but not limited to", "including, without limitation," and similar all-inclusive and non-exhaustive meanings.

"Immediate Family" means spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law.

"Innovation" means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, Including to Your Franchise ~~Business, Copyrighted~~Shoppe, Copyright Materials, Manuals, Confidential Information, website, Social Media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing ideas or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

"Intellectual Property" means all Marks, trade dress, names, Copyrighted Materials, systems, patents, patent applications, and trade secrets~~, websites, Social Media, apps and software~~.

"Interim Management Period" refers to the period of time during which We step in to manage Your Franchise ~~Business~~Shoppe as allowed under this Agreement.

"Internet" means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

"Lease" means a commercial lease or other document of occupancy of the Premises.

"Manuals" means one or more guides or manuals, Including an operations manual, brand standards manual, training manuals, and/or policies and procedures manual, technical bulletins, online drives or portals, or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be printed or in an electronic format at Our discretion.

"Marketing," or "Market" Includes advertising, brand development, promotion, public relations campaigns, content creation, influencer incentives or compensation, market research and other related processes.

"Marks" means the federally registered and common law names, trade names, trademarks, slogans, catchphrases, service marks, colors, font schemes, logos and/or other commercial property or symbols owned by Us, whether now or later developed, used in connection with the Real Deals on Home Décor®.

"Operating Account" means that account into which all receipts of Your Franchise ~~Business~~Shoppe must be deposited.

"Operating Assets" means Your assets, contracts, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise ~~Business~~Shoppe.

"Operating Principal" is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns any ownership and voting interests in the franchisee entity has authority over all business decisions related to the Franchise ~~Business~~Shoppe and has the power to bind You in all dealings with Us. The Operating Principal must be in constant contact with ~~us, and you must inform us immediately if the Operating Principal changes at any time~~Us.

"Owner" means a shareholder, member, partner, general partner, limited partner, and the like.

"Participant" means an ~~owner~~Owner, operator, ~~shareholder,~~ director~~, partner, member~~, manager, consultant, agent, employee (management-level or higher), contractor, advisor, officer, lessor, lessee, licensor, or licensee.

"Personnel" means employees, independent contractors, temporary workers, consultants, agents, subcontractors, interns, volunteers, and other similar positions, whether compensated or uncompensated.

"Principal" means ~~shareholders, owners, partners~~Owners, directors, members, managers, officers, and principal ~~employees and contractors~~Personnel.

"Shall" when used in this Agreement (even if not capitalized) means must, mandatory, or other similar affirmative obligation, as the context requires.

"Social Media" means any and all websites, apps and web or Internet pages for social interaction, business operation, Marketing, and other online information communications whether now or later developed.

"System" Includes the Franchise ~~Business~~Shoppe, specific Marks, interior design, store layout and décor, color schemes, standards, Manuals, processes, services, know-how, operating procedures and Marketing concepts, business formats, specifications for and the use of certain equipment, the sale of

products, supply items, and the use of proprietary and Confidential Information and other Intellectual Property.

"Termination" or "Terminate" Includes expiration, non-renewal, repurchase of Your rights, non-granting of a Successor Franchise, non-renewal, transfer, or any other means by which this Agreement is no longer in effect and You are no longer a franchisee of the Real Deals on Home Décor® System.

"Transfer" Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

"Update" Includes renovations, remodeling, redecorating, redesigning, refixturing, upgrading, refurbishing, modernizing, etc.

"We," "Our(s)" or "Us" only as applied to Paragraphs 2.2.3, 10.1.1, 10.1.2, and 14.8.7; Sections 3.1, 3.5, and 16.4; and Articles XI and XV Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, ~~shareholders, members~~Owners, managers, ~~employees~~Personnel, agents, development agents, or others with whose conduct We are chargeable, as applicable.

"You" or "Your" Includes all signers of this Agreement, all current and subsequent guarantors, all subsequent and current ~~members, owners, partners, shareholders~~Owners, Operating Principals, managers, directors, officers, agents, affiliates, guarantors, principal ~~employees~~Personnel and with those whose conduct You are chargeable.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:	FRANCHISEE:
REAL DEALS, INC.	_____
By: _____ (Signature)	By: _____ (Signature)
Name: Nate Kelsey	Name: _____
Title: President & CEO	Title: _____

~~If the franchisee is not an entity, each person must sign personally,~~

~~By: _____ (Signature)~~

~~Name: _____, personally~~

~~By: _____ (Signature)~~

~~Name: _____, personally~~

If the franchisee is not an entity, each person must sign personally:

By: _____
(Signature)

Name: _____, personally

By: _____
(Signature)

Name: _____, personally

(*Check if applicable*) At the same time as the parties execute this Agreement, they are also executing an Addendum to the Franchise Agreement pursuant to:

_____ Illinois	_____ New York
_____ Indiana	_____ North Dakota
_____ Maryland	_____ Washington
_____ Minnesota	_____ Other

(REAL DEALS ON HOME DÉCOR® FRANCHISE AGREEMENT SIGNATURE PAGE)

EXHIBIT "A-1"
TO THE FRANCHISE AGREEMENT

SEARCH AREA AND TERRITORY:
(Map may be attached)

1. Your Search Area in which to select Your Premises location is as follows (this is ***not*** Your protected Territory):

_____
_____

~~1.~~2. You approved Premises is to be located at (*may be filled in later if the approved Premises is not known at the time of signing the ~~franchise agreement~~Franchise Agreement*):

_____

_____

~~2.~~3. Your territory is set forth on the attached map.

~~3.~~4. You have a protected Territory of ____ miles from Your approved Premises location in all directions.

Our approval of the Territory or a site is not a guarantee or a warranty of the potential success of a territory or a site.

_____
Franchisee Initial and Date

_____
Franchisor Initial and Date

EXHIBIT "A-2"
TO THE FRANCHISE AGREEMENT

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

▫ Partnership ▫ Corporation
▫ Sole Proprietorship ▫ Limited Liability Company

Name of your entity: _____
The state in which your entity was formed: _____
Date of formation: _____
EIN: _____

The name and address of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type the information and add extra lines if necessary):

Name	**Address**	**Percentage of Ownership***

*Corporation: Percentage owned of outstanding voting stock.
*Partnership: Percentage owned in voting and in capital and profits.
*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the Company (please print or type the information and add extra lines if necessary):

Name	**Title**	**Manager/Officer**

The address where Your company records are maintained is: _____
_____.

The name and address of the Operating Principal who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to work with us and make decisions relating to the operations of the Franchise ~~Business~~Shoppe:

Name: _____
Address: _____
Email: _____

You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws within one week of the date below. Your entity documents must state that Your entity will be used solely for the purpose of operating the Franchise Shoppe.

DATED: _____.

FRANCHISEE:

_____

By: _____
(Signature)

Name: _____

Title: _____

EXHIBIT "A-3"
TO THE FRANCHISE AGREEMENT

FEE CHART[1]

The following Fees are more fully described in the Franchise Agreement.

Type of Fee*	Amount	Notes
Initial Franchise Fee	$~~35~~30,000	See Section 5.1
Royalty	Currently 5%of Gross Sales with option to raise up to 7%	See Section 5.2
Marketing Fund Fee	Currently 1.5% of Gross Sales with option to raise up to 2%	See Paragraph 5.3.1
Pre-Opening Marketing (POM)	$5,000	See Paragraph 5.1.1
Annual Minimum Revenue	$250,000	See Section 1.7
Successor Franchise Fee	$2,000	See Paragraph 2.2.4
Relocation Fee	$250 per person/per day for Our first 2 visits; $500 per person/per day thereafter or $250 per person per day if held at Our headquarters.	See Section 4.5
Local Marketing Requirement	1% of Gross Sales plus $500 per month and up to $15,000 Your first year of operations	See Paragraph 5.3.2
Marketing Cooperative	1% of Gross Sales payable to the co-op, unless a majority of members in Your Co-op vote to increase the contribution percentage	See Paragraphs 5.3.3 and 10.2.3
Non-Sufficient Fund Fees	$50 per bounced check or draft, or the maximum allowed by state law	See Paragraph 5.4.3
Late Payment ~~and Interest Fees~~	$500 per month per late royalty payment or report submission $100 per late Marketing fee payment ~~Plus 18% interest, or the maximum interest allowed by state law~~	See Paragraphs 5.4.3 and 5.4.4
Interest[1]	18% interest, or the maximum interest allowed by state law	See Paragraph 5.4.4
Sales and Use Tax	Sum equal to tax imposed	See Paragraphs 5.2.1 and 5.4.5
Audit Charge	Cost of audit	See Paragraph 5.5.2
POS Fee	Currently $200 per month	See Paragraph 5.6.1
RDU Technology Fee	Currently $60 per month	See Paragraph 5.6.~~2~~1
System Non-Compliance Fees and Charges	$2,500 per violation	See Section 5.9
Additional Trainees at Initial Training	$250 per person / per day	See Section 6.1.4
Replacement Training	$250 per person/per day	See Paragraph 6.1.4(i)
Annual Manager Training	$250 per person/per day for Our first 2 visits; $500 per person/per day thereafter or $250 per person per day if held at Our headquarters.	See Paragraph 6.1.4(ii)
Additional In-Person Training	$250 per person/per day for Our first 2 visits; $500 per person/per day thereafter or $250 per person per day if held at Our headquarters.	See Paragraph 6.1.4(iii) and Section 7.2
Rescheduling Fee	$2,500	See Paragraph 6.1.4(vi)
Insurance Reimbursement Fee	Varies	See Paragraph 6.1.11(ii)
Administrative Fee	$50 per hour, per person	See Paragraph 6.1.11(ii)
PCI and DSS Audit Reimbursement Fee	Reasonable costs of the audit	See Paragraph 6.1.13(v)
Convention Fee	Currently $100 per person, per day	See Paragraph 6.1.14

Compliance Re-Inspection Fee	$50 per hour	See Paragraph 6.2.2(iv)
Interim Management Fee	$250 per person/per day	See Paragraph 6.2.3 and Section 14.10
Quality Assurance/Mystery Shopper Fee	Up to $250 per month, plus the cost of product purchased	See Paragraph 6.2.4
~~Interim Management Fee~~	~~$250 per person/per day~~	~~See Paragraph 6.2.3 and Section 14.10~~
Failure to Complete Franchise Agreement Signing Requirements	$300 minimum per occurrence	See Paragraph 6.8.3~~.4~~
Additional Opening Assistance	$~~30~~50 per hour after the initial 32 hours total/cumulative, plus costs incurred	See Section 7.3
Supplier Evaluation Fee	Our costs, but not less than $500 payment	See Section 8.3
Replacement Costs	Our costs, plus $50 per hour, for our time	See Section 8.5
Additional Copies of Marketing Materials	Our reasonable costs, plus 10%, and the costs for shipping and handling	See ~~Paragraph~~Section 10.~~4~~3
Additional Marketing Assistance	Our then-current fee for additional training, which is currently $250 per person per day for the first 2 on-site visits and $500 per person per day thereafter or $250 per person per day if at our headquarters.	See Paragraph 10.5.3
Post-Termination Non-Compliance Fee	The greater of $350 per day or $5,000	See ~~Section~~ Paragraph 12.~~5~~1.13
Early Termination Liquidated Damages	Average royalty from the previous 12 months multiplied by 24 months or the remaining term of the Franchise Agreement, whichever is less.	See Section 12.5
Transfer Fee	$2,000	See Section 14.5
Minority Interest Transfer Fee	Legal and corporate fees and costs incurred	See Section 14.6
Transferee Training Fee	$10,000	See Section 14.8.5
Indemnification	Varies	See Section 15.2
Dispute Resolution Fees	Varies	See Section 17.2

[1] ~~For any amounts due by You that are a fixed dollar amount (e.g.~~If a fee is ~~$250 per person/per day) or that are calculated in a way that includes a fixed dollar amount (e.g. 5%~~subject to increase by us (rather than a third party), the increase will not be more than the equivalent of ~~gross sales between $5,000 and $50,000 is the amount due by You), We may adjust these dollar amounts each year~~10% per year (cumulative) during the term of ~~the~~your franchise agreement ~~proportionately by up to 10% per year, effective upon notice~~ to ~~You~~adjust to increased costs. This only applies to fees that are subject to change by us. If we do not designate that a fee is subject to change, the fee will remain the same during the term of the franchise agreement. Costs charged by third parties are subject to change at any time and do not have an annual cap.

EXHIBIT "A-4"
TO THE FRANCHISE AGREEMENT

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the "Agreement") is entered into and made effective as of the effective date listed below by and between **REAL DEALS, INC**. ("Franchisor") and the undersigned (individually and collectively, the "Principals").

WHEREAS, Principal or his or her company entered into an agreement with Franchisor so as to be able to obtain the rights to operate Real Deals on Home décor® Franchise ~~Businesses~~Shoppes using the System developed by Franchisor, Including certain Confidential Information of Franchisor ("Franchise ~~Business~~Agreement"); and

WHEREAS, Principal recognizes the value of the System and the intangible property rights licensed under the Franchise Agreement, and the importance of maintaining the Confidential Information, and recognizes that the Franchisor's entering into the Franchise Agreement is conditioned upon Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have their respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principal or his or her company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principal acknowledges that he or she has obtained or may obtain access to Confidential Information and made available to Principal that is necessary and essential to the operation of the Franchise ~~Business~~Shoppe, without which information the Franchise ~~Business~~Shoppe could not efficiently, effectively, and profitably operate. Principal further acknowledges that such confidential information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Franchise Agreement, neither Principal, nor any of Principals' Immediate Family, shall not during the term of the Franchise Agreement and any time thereafter, in perpetuity, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise ~~Business~~Shoppe or interest of Franchisor, Confidential Information, the System, or other information or materials which he or she knows, or reasonably should know, is regarded as confidential to Franchisor, Including techniques, store guide, financial information, teaching methods, protocols, standards, merchandising, sale of products and services, products, sourcing of products, Marketing plans, pricing, accounting systems and procedures, specifications, manuals, business plans, suppliers, customer lists, technical designs or drawings that relate to the Franchise ~~Business~~Shoppe and the Real Deals on Home Décor® System. Principals shall make its Immediate Family aware of this Agreement as well as the non-compete, non-solicitation and confidentiality provisions in the Franchise Agreement. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Confidential Information, Including restrictions on disclosure to ~~employees~~Personnel and other third parties.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agree to require all personnel to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

3. Non-Competition; Non-Solicitation. The following covenants will be enforced during and after the term of the Franchise Agreement:

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any

extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals and each Principal's Immediate Family, shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location except with Franchisor's prior written consent.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions or Successor Franchise Agreements thereof, or upon any Transfer or repurchase of Principal's rights under the Franchise Agreement, or a Principal's dissociation from the Franchise ~~Business~~Shoppe, and for a continuous, uninterrupted period of three years thereafter, Principals, Principal's family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in any capacity, territory or location within the Territory or within 20 miles of the Territory or within 10 miles of the territory of any System franchise or Real Deals on Home Décor® business operation at the time of such Termination or Transfer. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. Principal agrees that the Franchise ~~Business~~Shoppe attracts customers from up to 20 miles, and that such geographical restraint is not unreasonable.

4. Non-Solicitation of Customers. Principals shall not, during the term of the Franchise Agreement and any extensions or Successor Franchise and for three years thereafter, directly or indirectly, contact any customer of the Franchise ~~Business~~Shoppe, or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise Agreement), or prospective customer for the purpose of soliciting from any such customer any business that is the same as or substantially similar to the business conducted between Principal or Principals' company and the customer, or Franchisor or Franchisor's affiliate and the customer. All Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

5. Violation of Non-Competition, Non-Solicitation Provisions; Tolling of Covenants. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled and extended for the period of that Principal's violation.

6. Return of Materials. Upon the Termination of the Franchise Agreement, or Principal's disassociation from the Franchise ~~Business~~Shoppe, each Principal agrees to deliver to Franchisor (and shall not keep a copy in his or her possession or deliver to anyone else) the Real Deals on Home Décor® Manuals and any and all Confidential Information.

7. Non-Disparagement. Principals shall not, during and after the term of this Agreement, make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Franchisor, Franchisor's officers, owners, partners, directors, members, managers, representatives, agents or ~~employees~~Personnel, the brand, the System, Franchisor's products and services, or other franchisees.

8. Irreparable Harm. Principal hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 7 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor, will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 7 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach and without the requirement of posting bond. Additionally, Principal agrees that the existence of any claims Principal may have against Franchisor, whether or not arising from this Agreement of the Franchise Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

9. Reasonableness and Enforceability. Principal agrees that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principal and/or his or her company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and

possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action. Principals acknowledge and agree that the restrictions related to Immediate Family is necessary because a Principal's disclosing the Confidential Information or Intellectual Property to Immediate Family or assisting Immediate Family in a Competing Business could potentially circumvent the purpose of this Agreement and that it would be difficult for ~~Us~~Franchisor to prove whether a Principal disclosed ~~Our~~ Confidential Information or Intellectual Property to Immediate Family or assisted Immediate Family in a Competing Business.

10. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Idaho without giving effect to its conflicts of law provisions. If for any reason court action is filed, each Principal consents to the jurisdiction of the courts of record in the state of Utah and agrees that proper jurisdiction and venue for dispute resolution will be exclusively in the state and federal courts of Salt Lake County, State of Utah.

11. Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

12. Binding Agreement. This Agreement will bind each parties' respective heirs, personal representatives, successors and assigns. No rights under this Agreement are assignable by any Principal without Franchisor's written approval and any purported assignment will be null and void and of no force or effect.

13. Survival of Covenants. All covenants made in this Agreement by Principal survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise ~~Business~~Shoppe or the System in any way.

14. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

15. Waiver. Each Principal understands and acknowledges that Franchisor can require the use of cameras at the business premises, and each Principal waives any expectation of privacy in non-private areas of the business premises, e.g., spaces that are not in a bathroom, changing room, etc.

16. Counterpart Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

17. Prior Disclosures. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement as if such information had been disclosed following the execution of this Agreement.

PRINCIPAL ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below.

DATED: _____.

FRANCHISOR:	PRINCIPAL:
REAL DEALS, INC.	_____
By: _____ (Signature)	By: _____ (Signature)
Name: Nate Kelsey Title: President & CEO	Name: _____
	By: _____ (Signature)
	Name: _____

[Brand Protection Agreement for Principals Signature Page]

EXHIBIT "A-5"
TO THE FRANCHISE AGREEMENT
~~EMPLOYEE~~PERSONNEL BRAND PROTECTION AGREEMENT

This ~~EMPLOYEE~~PERSONNEL BRAND PROTECTION AGREEMENT ("Agreement") is entered into as of _____, between _____ ("Franchisee") and _____ ("~~Employee~~Disclosed Party"), residing at _____.

A. Franchisee is the holder of a Real Deals® franchise developed by Real Deals, Inc. ("Franchisor").

B. Franchisor has developed certain confidential and proprietary information for the operation of a Real Deals® franchise, including without limitation, processes, methods, trade secrets, systems, software, pricing, financial information, customer data and lists, manuals, marketing techniques, and procedures ("Proprietary Information").

NOW, THEREFORE, in consideration of the employment of ~~Employee~~Disclosed Party by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. ~~Employee~~Disclosed Party acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Real Deals® franchise. ~~Employee~~Disclosed Party further acknowledges that such Proprietary Information was not known to him or her prior to ~~the~~its association with Franchisee or its Real Deals® franchise.

2. Non-Use, Non-Disclosure. Except as may be ~~required~~authorized and only in the performance of duties for Franchisee, ~~Employee~~Disclosed Party shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate or otherwise reproduce all or any part of the Proprietary Information at any time.

3. Duty to Notify. ~~Employee~~Disclosed Party agrees to notify Franchisor or Franchisee or ~~Employee's~~Disclosed Party's immediate superiors of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy, or reproduce any part of the Proprietary Information. In the event it is discovered that ~~Employee~~Disclosed Party knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, ~~Employee~~Disclosed Party agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such violation. ~~Employee~~Disclosed Party agrees to cooperate with Franchisor and Franchisee in its or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor's attempts to enforce its rights in and to the Proprietary Information.

4. Return of Materials. Immediately upon the termination of employment~~, Employee~~ or its contracted labor, Disclosed Party agrees to deliver to Franchisee or to destroy at Franchisee or Franchisor's instruction and to provide evidence of such destruction (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information to which Disclosed Party has in its possession whether in hard or electronic soft copy.

5. Management and Supervisor ~~Employees. This~~Personnel/Contractors. Subject to applicable law, this Section 5 will only apply if the ~~Employee~~Disclosed Party is a management ~~employee~~position with Franchisee and/or acts in a supervisory role over other Personnel. "Personnel" in this Agreement means any individual or entity engaged by the Franchisee to perform work or services in connection with the Franchised

Business, including but not limited to employees., independent contractors, temporary workers, consultants, agents, subcontractors, interns, and volunteers, whether compensated or uncompensated.

5.1 Non-Competition. EmployeeDisclosed Party shall not, during the course of his or her employment by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become andan owner, officer, director, shareholder, partner, associate, employeePersonnel (management-level or higher), contractor, agent, representative or consultant in any retail home décor business or a business offering or selling products or services the same or substantially similar to a Real Deals® business. (collectively, a "Competing Business"). Without limiting the generality of the foregoing, the minimum area of competitive nature will be that area within a 20-mile radius of Franchisee's place of business or within a 10-mile radius of any other Real Deals® business operation at the time of Employee'sDisclosed Party's termination of employment. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

5.2 Non-Solicitation of Customers. EmployeeDisclosed Party shall not, during the course of his or her employment or contracted labor and for one year thereafter, directly or indirectly, contact customer or any former customer of Franchisee for the purpose of soliciting such customers to be a customer of a ~~business that is the same as or similar to a Real Deals® business~~Competing Business.

6. Non-Disparagement. EmployeeDisclosed Party shall not make any negative, disparaging, false or misleading statements, published or made orally, in any medium about Franchisee and/or Franchisor (including their respective owners, officers, and employeesPersonnel), or the Real Deals® brand.

7. Irreparable Harm. In addition to other remedies available to Franchisee and/or Franchisor, in the event EmployeeDisclosed Party violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be rolled for the period of Employee'sDisclosed Party's violation. Additionally, EmployeeDisclosed Party hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee and/or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by EmployeeDisclosed Party of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

8. Modification. EmployeeDisclosed Party hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by EmployeeDisclosed Party, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchise, or the Real Deals® system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and EmployeeDisclosed Party hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

9. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative.

10. Survival of Covenants. All covenants made in this Agreement by EmployeeDisclosed Party survive the termination of Employee'sDisclosed Party's employment with Franchisee or the ~~expiration, transfer,~~assignment or termination of this Agreement.

11. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.

12. Attorneys' Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this

Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

13. Waiver. ~~Employee~~Disclosed Party understands and acknowledges that Franchisee may employ the use of cameras at the business premises, and ~~Employee~~Disclosed Party waives any expectation of privacy in non-private areas of the business premises, e.g., spaces that are not in a bathroom, changing room, etc.

14. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

15. Third-party Beneficiary. It is agreed and acknowledged that Franchisor is a third-party beneficiary to this Agreement.

16. Prior Disclosures. ~~Employee~~Disclosed Party acknowledges and agrees that prior to the execution of this Agreement, ~~Employee~~Disclosed Party may have received information Franchisee, Franchisor and/or their representatives, and that any such Proprietary Information obtained or received is subject to the protection and restrictions of this Agreement.

~~EMPLOYEE~~DISCLOSED PARTY ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the ~~day and year first herein above written~~date listed below.

Effective as of _____.

FRANCHISEE:
_____

By: _____

Name: _____

Title: _____

Date: _____

~~EMPLOYEE~~DISCLOSED PARTY (if a minor, see next page):
_____

By: _____

Name: _____

Title: _____

Date: _____

Age: _____

For persons under 18 years of age, a parent or legal guardian must sign the Employee Brand Protection Agreement and complete the following section.

I, _____ (Parent/Guardian), the undersigned and the parent and natural guardian of _____ (minor's name), hereby acknowledge that I have executed the foregoing ~~Employee~~Personnel Brand Protection Agreement for and on behalf of the minor named herein. I represent that I have legal capacity and authority to act for and on behalf of the minor named herein. As the natural or legal guardian of such minor, I hereby bind myself, the minor, and our successors and assign to the obligations and liabilities of the foregoing ~~Employee~~Personnel Brand Protection Agreement.

DATED _____.

Signature of Parent/Guardian: _____

Name of Parent/Guardian: _____

Address: _____
_____

Phone: _____

~~[Continuation of Employee Brand Protection Agreement; Parent/Guardian Signature Page]~~**SCHEDULE "A-5.1"**
FRANCHISE RELATIONSHIP ACKNOWLEDGEMENT

Because you are becoming a part of the Real Deals on Home Décor® franchise system, it is important that you understand and acknowledge who is your employer (or the party that hired you as an independent contractor), and who is not.

You have been hired by _____ (Legal Name of Franchisee) ("Franchisee"), which is an independent franchise owner in the Real Deals on Home Décor® franchise system (which we call the "System"). Although Franchisee looks the same, has the same name, and is operated the same way as other Real Deals on Home Décor® outlets in the System, Franchisee is not part of the same company as those other Real Deals on Home Décor® outlets in the System. Real Deals, Inc. is a completely separate company that owns the name and created the System. Real Deals, Inc. has devised rules, systems of operation, and policies and procedures that all of its franchisees must follow, including Franchisee, which makes each independent franchise Real Deals on Home Décor® outlet look and operate the same way as one another. This way, Real Deals, Inc. manages a System composed of many different franchisee owners, each of whom is independently responsible for operating its own Real Deals on Home Décor® outlet.

It is important that you understand that Franchisee is your **only** employer (or is the only party associated with the Real Deals on Home Décor® franchise system that hired you as an independent contractor). If you are an employee of Franchisee, then Franchisee gives you your paycheck, establishes your hours, and is responsible for all decisions relating to your employment relationship. If you are an independent contractor, then Franchisee compensates you, hires you for certain hours or tasks, and provides you with the job description for your services to Franchisee. Real Deals, Inc. is **not** your employer and has not hired you to provide services related to the Real Deals on Home Décor® franchise system. If Real Deals, Inc.'s representatives ever give you direction, training, or advice, it is intended only to ensure that the experience of all customers of Real Deals on Home Décor® is the same at or through your place of work as it is at other Real Deals on Home Décor® outlets in the Real Deals on Home Décor® system. The fact that you are trained, or given direction or advice, by Real Deals, Inc.'s representatives does not mean that Real Deals, Inc. is your employer.

If you have any questions about your employment relationship or your contracted relationship or about this Franchise Relationship Acknowledgement, please direct them to your employer (or the party that hired you as an independent contractor), Franchisee.

I have read this Franchise Relationship Acknowledgement, and I understand it. I have had the opportunity to ask any questions that I have about this Franchise Relationship Acknowledgement, and those questions have been answered fully to my satisfaction.

SIGNED: _____

DATE: _____

EXHIBIT "A-6"
TO THE FRANCHISE AGREEMENT

LANDLORD'S CONSENT TO ASSIGNMENT

_____ ("Landlord") hereby consents to an assignment of the lease agreement ("Lease Agreement") to Real Deals, Inc. ("Franchisor") for the purpose of securing the obligations of _____ ("Lessee" and "Franchisor's Franchisee") to Franchisor. In the event of Lessee's breach of the Lease Agreement, Landlord agrees to provide Franchisor with written notice of any breach of the Lease Agreement that Landlord is required to provide to Lessee. Further, Landlord agrees it will not take any action to terminate said Lease Agreement without first giving Franchisor an opportunity, but not the obligation, to cure said breach for an additional 10 days beyond the applicable cure period granted to Lessee under the Lease Agreement.

Landlord agrees to provide Franchisor with all information relating to amounts owing, settlement agreements, and all matters related to the Lease Agreement within five days of written request from Franchisor.

Landlord agrees that if Tenant does not timely cure a default under the Lease Agreement, or the Lease Agreement or franchise agreement is terminated, Franchisor will have the right, but not the obligation, within 45 days ~~after termination of the Lease Agreement or franchise agreement~~of such date, to take possession of the premises and to assume or reassign the Lease Agreement or sublet the premises to another franchisee for the remaining term of the Lease Agreement; provided that Landlord will have the right to reasonably approve such reassignment or subletting.

Landlord further covenants that so long as Franchisor has not entered into possession of the leased premises, Franchisor will not be liable for rent or any other obligation under the Lease Agreement, but that Landlord will look to Lessee for all obligations under the Lease Agreement.

Notices to Franchisor will be sent to: Real Deals, Inc. Attn: Nate Kelsey, 1411 E. 4400 N., Buhl, Idaho 83316.

Landlord's Contact Information:

Contact Person: _____
Mailing Address: _____
_____
Email: _____
Phone: _____

LANDLORD:

By: _____
Title: _____
Name: _____

Date: _____

EXHIBIT "A-7"
TO THE FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name: _____ (**or)** Store ID Number: _____

I hereby authorize Real Deals Inc., hereinafter called ("Company"), to initiate debit entries to my checking account or savings account as indicated below at the depository financial institution named below, hereinafter called ("Depository"), and to debit the same to such account~~.~~ on a recurring basis, commencing as of the date below, and continuing for the term of my franchise agreement with the Company. I (We) acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip Code: _____

Phone: _____

Routing Number: _____ Account Number: _____

Type of Account: Checking/Savings: _____

~~This~~I agree to provide accurate banking information and authorize the Company to verify account ownership through a test deposit or other verification methods as required by NACHA rules.

I understand that this authorization ~~is to~~will remain in full force and effect through the term of my franchise agreement until ~~the Company has received~~I notify the Company in writing that I wish to revoke this authorization. I understand that the Company requires at least 15 days' written ~~notification from me of its~~notice prior to the proposed effective date of termination ~~in such time and in such a manner as to afford Company~~ to cancel this authorization. Notice shall be provided to the Company at both nate@realdeals.net and ~~Depository a reasonable opportunity to act on it.~~1411 E. 4400 N., Buhl, Idaho 83316.

I consent to the use of electronic records and signatures for the purposes of entering into and executing this agreement and any related transactions.

Name: _____ **(and)** Store ID Number: _____
(please print)

Title: _____

Signature: _____ Date: _____

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.

EXHIBIT "A-8"
TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is entered into and made effective as of _____ by and between REAL DEALS, INC. ("We," "Us" or "Our") and the undersigned Guarantor(s) ("Guarantor(s)") who are the owners of _____ (the "Business Entity").

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Franchise Agreement dated _____ (the "Franchise Agreement"), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantee to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, any provision in the Franchise Agreement, Including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees that no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Us and the Business Entity thereunder will affect the enforcement or validity of this Guaranty. Each Guarantor agrees that upon the death of a Guarantor, the estate of such Guarantor will ~~by~~be bound by the obligations of this Guaranty. Each Guarantor agrees that upon the death of a Guarantor, the estate of such Guarantor will be bound by the obligations of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)' execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)' capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)' direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Franchise Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)' liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)' liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and € this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, where required by the Franchise Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney's assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) acknowledge and represent that Guarantor(s) have had an opportunity to review the Franchise Agreement and agree that the provisions of Article XVII (disputes and arbitration) of the Franchise Agreement have been reviewed by Guarantor(s) and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and Us. Each Guarantor(s) irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) is domiciled. Each Guarantor will be held personally, jointly, and severally

liable. Any settlement made between Us and the Business Entity, or between Us and another Guarantor, or any other determination made pursuant to this Agreement will be binding upon the Guarantor(s).

6. Counterparts. This Guaranty may be signed in counterparts including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, the Guarantor(s) have respectively signed and sealed this Guaranty effective as of the day and year first written above.

Guarantor(s)'s Signature	**Contact Information for Notice**
By: _____ Name: _____	_____ (address) _____ _____ (email)
By: _____ Name: _____	_____ (address) _____ _____ (email)
By: _____ Name: _____	_____ (address) _____ _____ (email)
~~By: _____~~ ~~Name: _____~~	~~_____ (address)~~ ~~_____~~ ~~_____ (email)~~

EXHIBIT "A-9"
TO THE FRANCHISE AGREEMENT

DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION ~~FOR ASSIGNMENT~~

This **DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION** ("Assignment") is made and entered into as of the Effective Date (~~defined~~listed on the signature page below), by and between the undersigned "Franchisee" and Real Deals, Inc. ("Franchisor").

RECITALS

WHEREAS, Franchisee has entered into a Real Deals on Home Décor® Franchise Agreement with Franchisor of even date herewith ("Franchise Agreement"); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Real Deals on Home Decor® trademarks, trade names, trade dress, and other associated intellectual property (collectively, the "Marks") in conjunction with Franchisee's Real Deals on Home Decor® Franchise ~~Business~~Shoppe; and

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Social Media and other digital media accounts used in the Real Deals on Home Décor® Franchise ~~Business~~Shoppe or used or created in any way by Franchisee or third parties to promote or use the Marks, including, Franchisee's Facebook, Instagram, Tik-Tok, Pinterest, Google listings, Twitter, LinkedIn, Tumblr, email accounts, and the like (collectively the "Social Media Accounts"). Franchisee shall take all action necessary to grant exclusive access ~~of~~to the Social Media Accounts to Franchisor, including providing all passwords and administrative access to such Social Media Accounts.

2. Franchisee hereby assigns and transfers~~,~~ (or in Franchisor's sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL's, Internet sites, and web pages used in the Franchise ~~Business~~Shoppe or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (individually a "Listing" and collectively the "Listings")

3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Listings:

   a. Franchisee has the right to assign the Social Media Accounts and Listings and they are free and clear of all liens and encumbrances.

   b. Franchisee shall not, after termination of the Franchise Agreement attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Listings.

   c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Social Media Accounts and/or Listings.

   d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts and/or Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.

4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts and/or Listings to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Accounts and Listings. If necessary, Franchisee shall execute all documents

required by Franchisor to give effect to the assignment of the Social Media Accounts and Listings to Franchisor hereunder.

5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.

6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.

7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

8. This Assignment is governed, construed and interpreted in accordance with the laws of the state of Idaho without giving effect to its conflicts of law provisions.

9. This Assignment may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, the parties have respectively signed this Assignment effective as of the Effective Date written below.

Dated effective as of _____.

FRANCHISEE:	**FRANCHISOR:**
_____	Real Deals, Inc.
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: _____
Title: _____	Title: _____
~~Date:~~ _____	~~Date:~~ _____

EXHIBIT "A-10"
TO THE FRANCHISE AGREEMENT

FRANCHISEE REPORT

We will not ask You to complete the Franchise Report, and We will disregard any answers from You, if You live or plan to operate Your Franchise ~~Business~~Shoppe in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin. Washington franchisees cannot complete, fill out, or sign this Franchisee Report.

Please review each of the following questions carefully and provide honest responses to each question.

1. If You have received any oral, written, visual or other claim, guarantee or representation of any sort by Us which stated or suggested any specific level or range of actual or potential sales, income, expenses, profits, cash flow, by any person or entity, except for information (if any) expressly set forth in Item 19 of the Franchisor's ~~Disclosure Document~~disclosure document (or an exhibit referred to therein), please describe what You received and if known, from whom You received the information. If none, please write "none."

   _____
   _____
   _____

2. If You have received any information or representations inconsistent with the statements in the FDD or Franchise Agreement, please list those below. If none, please write "none."

   _____
   _____
   _____

FRANCHISEE:
_____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A-11"
TO THE FRANCHISE AGREEMENT

STATE ADDENDA

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

Illinois ~~Law~~law governs the franchise agreements.

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

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of _____.

FRANCHISEE:	**FRANCHISOR:**
_____	_____
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: Nate Kelsey
Title: _____	Title: President & CEO

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between _____ ("Franchisor") and _____, ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Deleted. Any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the Franchisor or sources designated by the Franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the Franchisor. However, the publication by the Franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the Franchisor does not constitute designation of a source nor does a reasonable right of the Franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the Franchisor.

(2) Allowing the Franchisor to establish a Franchisor-owned outlet engaged in a substantially identical business to that of the Franchisee within the exclusive territory granted the Franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the Franchisor to compete unfairly with the Franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the Franchisor without the consent in writing of the Franchisee.

(4) Allowing the Franchisor to obtain money, goods, services, or any other benefit from any other person with whom the Franchisee does business, on account of, or in relation to, the transaction between the Franchisee and the other person, other than for compensation for services rendered by the Franchisor, unless the benefit is promptly accounted for, and transmitted to the Franchisee.

(5) Requiring the Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the Franchisee and the Franchisor to be referred to any person, if referral would be binding on the Franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the Franchisor which the Franchisee had ordered for private retail consumers prior to the Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the Franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the Franchisee meets certain conditions specified in the agreement.

(9) Requiring a Franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the Franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the Franchisee may be required to pay.

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
REAL DEALS, INC.	**_____ (LLC/INC.)**
By: _____ (Signature)	By: _____ (Signature)
Name: Nate Kelsey	Name: _____
Title: President & CEO	Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

   Minnesota statute 80C.21 and Minnesota 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, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.

5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.

7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of $30 on service charges.

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.

~~9. Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the Franchise Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business.~~

_____
Franchisee (Signature)

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, between REAL DEALS, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 et seq. Such provisions in the Agreement are hereby amended as follows:

- No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law.
- In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorney's fees.
- The statute of limitations under North Dakota Law will apply.
- Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- In the event of a conflict of laws, North Dakota Law will control.
- Franchise may not assent to a waiver of exemplary or punitive damages.
- Franchisee may not assent to a waiver of jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.

~~2. Section 5.1 of the Franchise Agreement is amended to include the following language: "Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until such time as the franchisor has fulfilled its initial obligations owed to the franchisee under the franchise agreement and the franchisee has commenced doing business pursuant to the franchise agreement."~~

~~2.~~ 2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise agreement 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.

[Remainder of page intentionally left blank; signatures follow on next page]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms.

FRANCHISOR:	FRANCHISEE:
REAL DEALS, INC.	**_____ (LLC/INC.)**
By: _____ (Signature)	By: _____ (Signature)
Name: Nate Kelsey	Name: _____
Title: President & CEO	Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE COMMONWEALTH OF VIRGINIA

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON ADDENDUM TO THE
FRANCHISE AGREEMENT, STATEMENT OF PROSPECTIVE FRANCHISEE,
AND RELATED AGREEMENTS

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.

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 the transfer.

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.

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.

Article XIII of the franchise agreement will be interpreted in accordance with RCW 19.100.180.

Section 14.12 of the franchise agreement empowers the franchisor to purchase the franchise before the termination of the franchise agreement. This is inconsistent with RCW 19.100.180(2)(j) and does not apply to Washington franchisees.

The time limitations to initiate a claim as set forth in Section 17.2.3(iii) of the franchise agreement are hereby amended and extended to the time limits allowed under RCW 19.100.

Section 17.2.3(viii) of the franchise agreement is here by amended as follows:

Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced (subject to state law).

Section 20.14 of the franchise agreement is not enforceable in Washington.

The Statement of Prospective Franchisee is amended in part to state that claims arising from the Franchise Investment Protection Act of Washington, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220, are not waived.

Section 2 of the Form General Release Agreement (Exhibit "G" to the franchise disclosure document) is hereby omitted and not applicable in the state of Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____20___.

FRANCHISOR:
Real Deals, Inc.

By: _____
(Signature)

Name: Nate Kelsey

Title: President & CEO

FRANCHISEE:
_____

By: _____
(Signature)

Name: _____
Title: _____

INDIVIDUALS:

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN

The following shall apply to Franchise Agreements in the State of Wisconsin:

a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the "Act"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

b. The Act's requirements, including that in certain circumstances a Franchisee receive ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

EXHIBIT "B"
TO THE FDD

FINANCIAL STATEMENTS

Audited Financials:
(attached)

December 31, 2024
December 31, 2023
December 31, 2022
~~December 31, 2021~~

~~Unaudited Financials:~~

~~August 31, 2024~~

REAL DEALS®

REAL DEALS, INC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

December 31, 2024 and 2023

REAL DEALS, INC

Table of Contents

	Page
Independent auditor's report	3
Balance sheets	5
Statements of operations	6
Statements of stockholder's equity	7
Statements of cash flows	8
Notes to the financial statements	9

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Stockholders
Real Deals, Inc.
Buhl, ID

Opinion

We have audited the accompanying financial statements of Real Deals, Inc. which comprise the balance sheet as of December 31, 2024 and 2023 and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

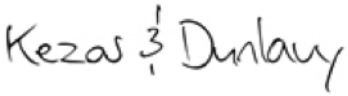
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.



St. George, Utah
April 24, 2025

REAL DEALS INC
BALANCE SHEETS
As of December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash	$ 857,043	$ 545,321
Accounts receivable	10,246	-
Total current assets	867,289	545,321
Non-current assets		
Property and equipment, net	38,052	52,527
Intangible assets, net	115,900	145,000
Total non-current assets	153,952	197,527
Total assets	$ 1,021,241	$ 742,848
Liabilities and Stockholders' equity		
Current liabilities		
Credit card payable	$ 47,164	$ 54,036
Marketing fund	105,537	-
Accounts payable and accrued expenses	3,259	2,747
Deferred franchise fees, current	-	10,000
Total current liabilities	155,960	66,783
Non-current liabilities		
Loan payable to a related party	-	85,983
Total non-current liabilities	-	85,983
Total liabilities	155,960	152,766
Stockholders' equity		
Common stock, no par value, 50,000 shares authorized 50,000 shares issued and outstanding	50,000	50,000
Treasury stock	(75,000)	(75,000)
Retained earnings	890,281	615,082
Total stockholders' equity	865,281	590,082
Total liabilities and stockholders' equity	$ 1,021,241	$ 742,848

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

Real Deals Inc

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2024 and 2023

	2024	2023
Operating revenues		
Franchise fees	$ 105,500	$ 152,000
Royalty income	1,113,597	1,100,854
Technology and other fees	25,260	14,110
Product sales	-	10,536
Total operating revenues	1,244,357	1,277,500
Operating expenses		
General and administrative	389,896	440,360
Salaries and wages	197,820	329,694
Professional fees	47,691	27,365
Depreciation and amortization	43,575	14,475
Total operating expenses	678,982	811,894
Operating income	565,375	465,606
Other income	-	4,157
Net income	$ 565,375	$ 469,763

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

Real Deals Inc

STATEMENTS OF STOCKHOLDER'S EQUITY

For the Years Ended December 31, 2024 and 2023

	Common Stock		Treasury	Retained	
	Shares	Amount	Stock	Earnings	Total
Balance at January 01, 2023	50,000	$ 50,000	$ (75,000)	$ 270,339	$ 245,339
Net income	-	-	-	469,763	469,763
Shareholders dividends	-	-	-	(193,020)	(193,020)
Adoption of ASC 606 practical expedient	-	-	-	68,000	68,000
Balance at December 31, 2023	50,000	$ 50,000	$ (75,000)	$ 615,082	$ 590,082
Net income	-	-	-	565,375	565,375
Shareholders dividends	-	-	-	(290,176)	(290,176)
Balance at December 31, 2024	50,000	$ 50,000	$ (75,000)	$ 890,281	$ 865,281

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

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

(a) Nature of Business

Real Deals, Inc. (the "Company") was organized in the State of Idaho on July 17, 2006 for the purpose of franchising and the retail sale of home décor and accessing products and related business activities and pursuits.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

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

(c) Use of Estimates

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

(d) Reclassification

Certain items in the prior year have been reclassified to conform to the current year's presentation.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2024 and 2023, the Company had cash and cash equivalents of $857,043 and $545,321 respectively.

(f) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, technical assistance fees, and upon provision/shipment and invoicing of products or services from the Company's offices or suppliers. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts.

When determining the allowance for doubtful receivable, the Company has adopted ASC 326, Financial Instruments—Credit Losses. This standard requires that Management utilize the Current Expected Credit Losses ("CECL") model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, Management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received.

As of December 31, 2024, and 2023, the Company had accounts receivable of $10,246, $0 respectively. As of December 31, 2024, and 2023, the Company had no allowance for doubtful accounts.

(g) Long Lived Assets

Long lived assets, such as property and equipment and intangible assets, are recorded at cost and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset. No impairment has been recognized to date.

(h) Revenue Recognition

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

The Company's revenues consist of initial franchise fees, product sales and royalty and technology fees, based on a percentage of gross revenues, and product sales.

Product sales

Product sales are recognized when control transfers to the customer, which is generally upon shipment.

Royalties and technology fees

Upon evaluation of the five-step process, the Company has determined that royalty and technology fees are to be recognized in the same period as the underlying sales.

Initial franchise fees

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the company has elected to adopt.

These pre-opening services include the following services (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control program

In determining the allocation of transaction price (the initial franchise fee) to either the license or to the pre-opening services, the Company has determined that the fair value of pre-opening services exceeds the initial franchise fee received; as such, the Company allocates the entire initial franchise fees to pre-opening services, which is then recognized as revenue when those pre-opening services have been completed (which generally occurs upon commencement of the associated franchised location's operations).

Prior to 2024 and 2023, the Company allocated the franchise between the pre-opening services obligation and the franchise license (recognizing the amount allocated to the license over the life of the underlying agreement). Effective for the year ended 2023, pursuant to adoption of the practical expedient, the Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue when those pre-opening services have been completed (generally upon commencement of operations).

(i) Income Taxes

The Company's shareholders have elected to be taxed under sub-chapter S of the Federal income tax code, which provides that, in lieu of corporation income taxes, the shareholders separately account for their pro rata shares of the Company's items of income, deductions, losses and credits. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its shareholders and no provision for federal income taxes has been recorded on the accompanying balance sheet.

The company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2024, the tax years ended December 31, 2023, 2022, and 2021 are subject to examination.

(j) Advertising Cost

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2024 and 2023, were $235,904 and $338,817 respectively.

(k) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities.

(l) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The

Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Property and Equipment

Property and equipment consist of the following as of December 31:

	2024	2023
Furniture & fixtures	$ 87,466	$ 87,466
Improvements	29,698	29,698
Less: accumulated depreciation	(79,112)	(64,637)
Property and equipment, net	$ 38,052	$ 52,527

Depreciation expense for the years ended December 31, 2024 and 2023 was $14,475 and $14,475.

(3) Intangible assets

As of December 31, 2024 and 2023, the Company's intangible assets consisted of the following:

	2024	2023
Automated data entry software – *5 year estimated useful life*	$ 145,000	$ 145,000
Organizational costs	10,000	10,000
Less: accumulated amortization	(39,100)	(10,000)
	$ 115,900	$ 145,000

Amortization expense for the years ended December 31, 2024 and 2023 was $29,100 and $0 respectively. As of December 31, 2024, future amortization for the software is expected to be as follows:

2025	28,900
2026	29,000
2027	29,000
2028	29,000
	$ 115,900

(4) Marketing Fund

The Company charges an advertising fee to its franchisees. Under the terms of the franchise agreements, the Company is obligated to spend the amounts received solely on advertising and related expenses for the benefit of the franchisees. The Company has the general discretion as to the nature of the advertising obtained, as long as it is related to the business of the franchisees. As of December 31, 2024 and 2023, the marketing fund liability was $105,537 and $0 respectively.

(5) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial franchise fees as well as continuing royalty fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a Real Deals location for a period of five years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not met the criteria for revenue recognition as of year-end, the Company defers both

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

As of December 31, 2024 and 2023, the Company had deferred revenue of $0 and $10,000 respectively and deferred costs of $0 and $0 respectively.

(6) Related Party Transactions

The Company is affiliated with Cate 4&CO. LLC through common ownership. As of December 31, 2024, and 2023, the Company had a loan payable balance to this affiliate of $0 and $85,983, respectively. The outstanding balance was fully repaid during the year ended December 31, 2024.

(7) Commitments and Contingencies

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

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

(8) Subsequent Events

Management has reviewed and evaluated subsequent events through April 24, 2025, the date on which the financial statements were issued.

REAL DEALS®

REAL DEALS, INC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023

REAL DEALS, INC

Table of Contents

	Page
Independent auditor's report	3
Balance sheet	5
Statement of operations	6
Statement of stockholder's equity	7
Statement of cash flows	8
Notes to the financial statements	9

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Stockholders
Real Deals, Inc.
Buhl, ID

Opinion

We have audited the accompanying financial statements of Real Deals, Inc. which comprise the balance sheet as of December 31, 2023 and the related statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Real Deals, Inc. as of December 31, 2023 and the related statements of operations, stockholders' equity, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

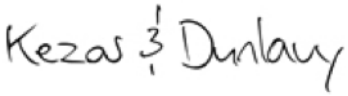
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.



St. George, Utah
June 20, 2024

REAL DEALS INC
BALANCE SHEET
As of December 31, 2023

	2023
Assets	
Current assets	
Cash	$ 545,321
Total current assets	545,321
Non-current assets	
Property and equipment, net	52,527
Intangible assets, net	145,000
Total non-current assets	197,527
Total assets	$ 742,848
Liabilities and Stockholders' equity	
Current liabilities	
Credit card payable	$ 54,036
Accounts payable and accrued expenses	2,747
Deferred franchise fee - current	10,000
Total current liabities	66,783
Non-current liabilities	
Loan payable to a related party	85,983
Total non-current liabities	85,983
Total liabilities	152,766
Stockholders' equity	
Common stock, no par value, 50,000 shares authorized 50,000 shares issued and outstanding	50,000
Treasury stock	(75,000)
Retained earnings	615,082
Total stockholders' equity	590,082
Total liabilities and stockholders' equity	$ 742,848

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

Real Deals Inc

STATEMENT OF OPERATIONS

For the year ended 2023

	2023
Operating revenue	
Franchise fees	$ 152,000
Royalty income	1,100,854
National advertising fees	352,927
Product sales	10,536
Total operating revenue	1,616,317
Operating expenses	
General and administrative	440,360
Salaries and wages	329,694
Advertising & marketing	338,817
Professional fees	27,365
Depreciation expense	14,475
Total operating expenses	1,150,711
Total operating income	465,606
Other income	4,157
Net income	$ 469,763

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

Real Deals Inc

STATEMENT OF STOCKHOLDER'S EQUITY

For the year ended 2023

	Common Stock		Treasury	Retained	
	Shares	**Amount**	**Stock**	**Earnings**	**Total**
Balance at January 01, 2023	50,000	$ 50,000	$ (75,000)	$ 270,339	$ 245,339
Net income	-	-	-	469,763	469,763
Shareholders dividends	-	-	-	(193,020)	(193,020)
Adoption of ASC 606 practical expedient	-	-	-	68,000	68,000
Balance at December 31, 2023	50,000	$ 50,000	$ (75,000)	$ 615,082	$ 590,082

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

Real Deals Inc
STATEMENT OF CASH FLOWS
For the year ended 2023

	2023
Cash flows from operating activities:	
Net income	$ 469,763
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation & amortization	14,475
Changes in operating assets and liabilities:	
Accounts receivable	16,176
Accounts payable	(21,344)
Deferred revenue	10,000
Credit card payable	33,377
Net cash provided by operating activities	522,447
Cash flows from investing activities	
Purchase of intangible assets	(145,000)
Net cash used by investing activities	(145,000)
Cash flows from financing activities	
Loan from affiliate	(153,350)
Shareholders dividends	(193,020)
Net cash used by financing activities	(346,370)
Net change in cash and cash equivalents	31,077
Cash and cash equivalents at beginning of period	514,244
Cash and cash equivalents at end of period	$ 545,321
Supplemental disclosures of cash flow:	
Cash paid for interest and taxes	$ -

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

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

(a) Nature of Business

Real Deals, Inc. (the "Company") was organized in the State of Idaho on July 17, 2006 for the purpose of franchising and the retail sale of home décor and accessing products and related business activities and pursuits.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

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

(c) Use of Estimates

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

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2023, the Company had cash and cash equivalents of $545,321.

(e) Long Lived Assets

Long lived assets, such as property and equipment and intangible assets, are recorded at cost and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset. No impairment has been recognized to date.

(f) Revenue Recognition

The Company's primary revenues consist of initial franchise fees, and ongoing royalty and advertising fees from locations operated by franchisees.

ASC 606, *Revenue from Contracts with Customers*, provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. The standard does not impact the Company's recognition of royalties and ad fund contributions from locations operated by a franchisee, which are based on a percentage of net revenue and recognized at the time the underlying sales occur. The standard does change the timing for recognition of the Company's initial franchise fees.

In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial fee and ongoing royalties, advertising fees, and technology fees, and the Company's performance obligations.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers* in 2023. In January 2021, the FASB issued Accounting Standard Update (ASU) 2021-02, regarding revenue recognition for franchisors (a subtopic of revenue from contracts with customers). This standard is effective for periods beginning after December 15, 2020, with early adoption permitted. The standard applies to all non-public franchisors. This amendment introduces - ASC 952-606, *Franchisors—Revenue from Contracts with Customers* – a practical expedient that simplifies the guidance on identifying performance obligations. This practical expedient allows the franchisor to account for pre-opening services as distinct from the franchise license if the services are consistent with predefined services listed in this ASU. Also, ASU 2021-02 allows for an accounting election to be made by the entity to bundle and recognize all the pre-opening services as a single performance obligation. The practical expedient identifies the following non-exclusive list of general pre-opening services (which the Company may or may not provide) as eligible for inclusion in the single distinct performance obligation:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

Prior to 2023, the Company allocated the franchise between the pre-opening services obligation and the franchise license (recognizing the amount allocated to the license over the life of the underlying agreement). Effective for the year ended December 31, 2023, pursuant to adoption of the practical expedient, the Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue when those pre-opening services have been completed (generally upon commencement of operations).

(g) Income Taxes

The Company's shareholders have elected to be taxed under sub-chapter S of the Federal income tax code, which provides that, in lieu of corporation income taxes, the shareholders separately account for their pro rata shares of the Company's items of income, deductions, losses and credits. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its shareholders and no provision for federal income taxes has been recorded on the accompanying balance sheet.

The company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2023, the tax years ended December 31, 2022, 2021, and 2020 are subject to examination.

(h) Advertising Cost

The Company expenses advertising costs as incurred. Advertising expenses for the year ended December 31, 2023, was $352,927.

(i) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities.

(j) Concentration of Risk

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

(2) Property and Equipment

Property and equipment consist of the following as of December 31, 2023:

	2023
Furniture & fixtures	87,466
Improvements	29,698
Less: accumulated depreciation	(64,637)
Property and equipment, net	$ 52,527

Depreciation expense for the year ended December 31, 2023 was $14,475.

(3) Intangible assets

As of December 31, 2023, the Company's intangible assets consisted of the following:

	2023
Automated data entry software – *5 year estimated useful life*	$ 145,000
Organizational costs	10,000
Less: accumulated amortization	(10,000)
	$ 145,000

Amortization expense for the year ended December 31, 2023 was $0. The automated data entry software system is still in the testing phase and accordingly has not been entered into service. As of December 31, 2023, future amortization for the software is expected to be as follows:

2024	$	14,500
2025		29,000
2026		29,000
2027		29,000
2028		29,000
2029		14,500
	$	145,000

(4) Related Party Transactions

As of December 31, 2023, the Company owes related parties a loan payable with total amount of $85,983. The loan bears no interest.

(5) Treasury stock

On May 1, 2010, the company entered into a contract with Jeffery and Marisa Humphrey to purchase all of the stock they held in the Company amounting to 24,000 shares. The purchase price of the stock was $75,000.

(6) Commitments and Contingencies

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

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

(7) Subsequent Events

Management has reviewed and evaluated subsequent events through June 20, 2024, the date on which the financial statements were issued.

EXHIBIT "C"
TO THE FDD
SCHEDULE OF FRANCHISEES

LIST OF CURRENT FRANCHISE SHOPPES
As of December 31, ~~2023~~2024

	Location	Owner	Phone/Email	Address
		Arizona		
1	Gilbert	Alexis Assu & Christina Walsh~~Robin Oldfield~~	~~gilbert@realdeals.net~~480-988-1977	1493 S Higley Road, Suite 103/104
		Colorado		
2	Pueblo	Shonna Shinovich	719-821-2707	5176 Ridge Drive
		Idaho		
3	Burley	Karmelle Nye	208-678-1508	1607 E. 16th Street
4	Idaho Falls	Darci Williams	208-317-9560	2135 E 17th St
5	Nampa	Stephanie & Brandon Coker	503-891-7603	616 12th Ave. Rd.
6	Pocatello	Kolay Sutton	208-241-9979	415 Yellowstone
7	Rexburg	Stacey Hansen	208-201-4603	241 South 5th West Unit 101A
8	Salmon	Justin & Camille Williams	208-742-1203	532 Main Street
9	Twin Falls	Cindy Bingham	~~twinfalls@realdeals.net~~208- 733-5510	1503 Blue Lakes Blvd
		Iowa		
10	Adel	Susan Latusek & Amanda Winters	319-239-3773	211 S. 7th Street
11	Ankeny	Lindsey and Jared Foss	515-201-0478	315 SW Maple Street, Ste C
12	Cedar Falls	Terri Roose	319-231-2937	4507 Algonquin Dr.
13	Corning	Cindy Roberts & Anne Greenwalt	515-491-1634	718 Davis Street
14	Manchester	Amy Lyness and Teresa Robinson	319-325-9480	935 E. Main Street
15	Marshalltown	Michelle Burgess	815-751-8467	122 E. Main Street
16	Mason City	Lisa and Randy O'Tool	641-423-0639	3609 South Federal Ave
		Kentucky		
17	Nicholasville	Lori Handy	~~nicholasville@realdeals.net~~859-724-7325	123 Means Dr.
		Minnesota		
18	Rochester	Ashley Moberg	507-244-0609	525 6th Ave NW
		Missouri		
19	Martin City	Kim Jones	~~martincity@realdeals.net~~816-702-0002	1034 W 136th St
		Montana		
20	Butte	Richard and Julie Daum	406-490-1317	1743 Harrison Ave.
21	Helena	Lara Bahlman	~~helena@realdeals.net~~406-422-4897	1331 Euclid Ave
		Nebraska		
22	Kearney	Annette &Hannah Sloggett	307-299-4232	2102 East Hwy. 30 Suite #1
		Nevada		
23	Elko	Christina Walsh	775-385-4538	2078 Idaho St.
		North Dakota		
24	Bismarck	Rachel Miller	701-751-2444	200 W. Bowen Ave.
25	Dickinson	Trudie Neurohr	701-290-2376	1434 I – 94 Business Loop East
~~26~~	~~Valley City~~	~~Romelle Barnick~~	~~701-490-3458~~	~~1525 E. Main Street~~

	Location	Owner	Phone/Email	Address
		Oklahoma		
~~27~~26	Edmond	Aspen Spaulding	~~edmond@realdeals.net~~405-285-8089	610 S. Kelly Ave Suite P
		Oregon		
~~28~~27	Coos Bay	~~Dani & Rick Stevens~~Jessica Terra & Karen Richardson	541-404-0008	790 North Bayshore Drive
29	Eugene	James and Jamie Atwood	303-681-7059	3705 West 1st Avenue
30	La Grande	Tim and Janet Camp	541-962-7770	1108 Adams Ave.
~~31~~	~~McMinnville~~	~~Tamy Rodgers~~	~~503-472-9870~~	~~900 NE 8th Street~~
~~32~~31	Roseburg	Tyler & Megan Kohlman	541-643-6410	4119 NE Stephens St
~~33~~32	Salem	Dawn Sherwood & Tina McCurdy	541-232-4032	4761 Lancaster Dr. NE
		South Dakota		
~~34~~33	Spearfish~~Rapid City~~	Colleen Morehead & Angela Reder ~~Karen Payne & Erin Atkinson~~	~~720-308-5474~~605-430-2225	~~2020 Deadwood Ave.~~145 E. Hudson
~~35~~34	Sioux Falls~~Spearfish~~	Janessa & Coby Wilson~~Colleen Morehead & Angela Reder~~	605-~~430-2225~~271-1980	~~145 E. Hudson~~2001 W 41st St
		Tennessee		
~~36~~35	Halls[2]	Jill Butler	~~halls@realdeals.net~~865-377-7970	7415 Maynardville Pike #103, Knoxville TN 37938
		Texas		
~~37~~36	Kingsville	Kristen & Warren Jones	423-262-7623	211 E. Kleberg
		Utah		
~~38~~37	Bountiful	Dorothy Burr	Bountiful.@realdeals.net	509 West 2600 South
~~39~~38	Farr West	Mendie Moyes	801-644-0562	3517 N Hwy 126 Suite 1
~~40~~39	Mapleton[1]	Dovie & Andy Ball	801-592-3585	TBD
~~41~~40	Tooele	Natalie Williams	~~tooele@realdeals.net~~435-228-5191	944 North Main
41	St. George	Meradith & David Seiler	435-216-7938	135 N 900 E
		Virginia		
42	Winchester	Erin Packard	~~Winchester_va@realdeals.net~~540-450-5897	126 Windy Hill #1
		Wisconsin		
43	Stevens Point	Michelle Venzke	715-997-9198	817 Clark Street
		Wyoming		
44	Gillette	Jamie Flint	320-241-6129	PO Box 2621
45	Sheridan	Kayla and Tyler Hert	406-690-8568	225 Broadway
		Canada		
46	Kamloops (British Colombia)	Michelle Mistal	250-852-1847	1847 Primrose Crescent

[1] Mapleton, Utah purchased the Spanish Fork location and signed a franchise agreement in December 2022. It closed the Spanish Fork premises and is moving the Shoppe to Mapleton.
[2] The Powell, Tennessee location transferred and the shoppe closed and reopened in Halls, Tennessee.

	~~Canada~~			
	~~Location~~	~~Name~~	~~Phone~~	~~Address~~

1	Kamloops (British Colombia)	Michelle Mistal	250-852-1847	1847 Primrose Crescent

FRANCHISEES THAT TRANSFERRED THEIR FRANCHISE IN 20232024

Location	Owner	Current Business Phone or Last Known Home Phone Number
Powell, TNCoos Bay, OR	Kim SeveranceDani Stevens	865-362-5192(541) 982-2906
Winchester, VAGilbert, AZ	Robin OldfieldMiranda Hoberg	541-520-2568(480) 988-1977

FRANCHISES THAT CEASED OPERATIONS IN 20232024 OR HAVE NOT CONTACTED US WITHIN 10 WEEKS

Location	Owner	Current Business Phone or Last Known Home Phone Number
Boise, IDValley City, ND	Suzin ChristensenRomelle Barnick	208-870-4179701-490-3458
Austin, MN	Kim Underdahl and Kim Stiernagle	507-383-5073
Great Falls, MT	Monique Eakman	406-868-0312
Winnemucca, NV	Holly Laird	775-625-3605
MedfordMcMinnville, OR	Michelle OwensTamara Joe Rogers	503-472-9870541-582-5988
Richland, WARapid City, SD	Karen PayneVikki Butler & Brittini Van Heel	509-582-5852605-646-7364

FRANCHISES THAT SIGNED A FRANCHISE AGREEMENT IN 20232024 BUT HAD NOT OPENED AS OF DECEMBER 31, 20232024: None

Location	Owner	Phone Number

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

EXHIBIT "D"
TO THE FDD

TABLE OF CONTENTS FOR THE OPERATIONS MANUAL

TABLE OF CONTENTS

Chapter 1: **Introduction** 4

Chapter 2: **Welcome to Real Deals** 6

Chapter 3: **Support Resources** 11

Chapter 4: **Standards, Operations & Intellectual Property** 16

Chapter 5: **Software & External Business Tools** 28

Chapter 6: **New Shoppe Set-Up and Build-Out** 36

Chapter 7: **Onsite Training in Twin Falls** 38

Chapter 8: **Pre-Opening Training** 40

Chapter 9: **Ongoing Training, Support & Requirements** 43

Chapter 10: **Staffing your Shoppe & Employee Management** 49

Chapter 11: **Customer Service** 65

Chapter 12: **Office Operation & Maintenance** 95

Chapter 13: **Technology, Point of Sale System and Checking Out** 106

Chapter 14: **Product - Home Décor** 118

Chapter 15: **Physical Receiving, Unpacking, & Pricing Shipments** 148

Chapter 16: **Product - Boutique** 168

Chapter 17: **Marketing** 185

Chapter 18: **Events** 199

Chapter 19: **Merchandising** 203

Chapter 20: **Record Keeping** 230

Chapter 21: **Reporting, Shoppe Inspections & Audits** 268

Chapter 22: **Renewal, Resale & Termination** 270

Chapter 23: **Shoppe Expansion & Relocation Requirements** 273

Chapter 24: **Definitions** 276

EXHIBIT "E"
TO THE FDD

LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677 www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General's Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1600
New York	Secretary of State		99 Washington Avenue, Albany, NY 12231	(518) 473-2492
North Dakota	North Dakota Securities Department		600 East Boulevard Ave., State Capitol Fourteenth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387
Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building	(401) 462-9527

			69-1, Cranston, RI 02920	
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2nd Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1st Floor, Richmond, VA 23219	
Washington	~~Director~~Department of Financial Institutions	Securities Division	~~PO Box 41200, Olympia~~150 Israel Rd SW, Tumwater, WA ~~98504-1200~~98501	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

If a state is not listed, Real Deals, Inc. has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which Real Deals, Inc. has appointed an agent for service of process.

EXHIBIT "F"
TO THE FDD

LIST OF STATE AGENCIES RESPONSIBLE FOR FRANCHISE DISCLOSURE/REGISTRATION LAWS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov	Department of Financial Protection and Innovation	Sacramento: 2101 Arena Blvd., Sacramento, CA 95834 San Diego: 1455 Frazee Road, Suite 315, San Diego, CA 92108 San Francisco: One Sansome Street, Ste. 600, San Francisco, CA 94101 Los Angeles: 320 West 4th Street, Ste. 750, Los Angeles, CA 90013-2344	Sacramento: (916) 445-7205 San Diego: (619) 525-4233 San Francisco: (415) 972-8559 Los Angeles: (213) 576-7500 Toll Free: (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 23214-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20th Floor, Baltimore Maryland 21202-2020	(410) 576-6360
Michigan	Michigan Attorney General's Office	Consumer Protection Division; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6th Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7th Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21st Floor, New York, NY 10005	(212) 416-8222 Fax: (212) 416-6042

North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capitol 14th Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2nd Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	~~P.O. Box 9033, Olympia~~150 Israel Rd. SW, Tumwater, WA ~~98507-9033~~98501	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6th Street, NW, Washington DC 20580	(202) 326-3128

EXHIBIT "G"
TO THE FDD

RELEASE AGREEMENT (FORM)

RELEASE AGREEMENT
(Form)

This RELEASE AGREEMENT ("Agreement") is made and entered into as of _____ by and between **REAL DEALS, INC.**("Franchisor") and _____, **LLC/INC.,** _____, **AND** _____ (jointly and severally "Franchisee"). The above will collectively at times be referred to as "Parties" and individually as "Party." Capitalized terms used herein will have the meanings set forth in the Franchise Agreement, unless defined otherwise herein.

RECITALS

WHEREAS, Franchisee entered into a Real Deals on Home Décor® franchise agreement on _____ with Franchisor ("Franchise Agreement"); and

WHEREAS, the Franchise Agreement was personally guaranteed by _____ and _____ ("Personal Guarantor(s)"); and

WHEREAS, the Franchise Agreement has been terminated effective as of _____.

NOW THEREFORE, in consideration of the recitals, premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor, Franchisee and Personal Guarantor(s) hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee and Personal Guarantor(s) hereby covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court agency, or other forum, either affirmatively or by way of crossclaim, defense, or counterclaim against any person or entity released under Section 1 above with respect to any claim released under Section 1.

3. Franchisee and Personal Guarantor(s) represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor, fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. Franchisee and

Personal Guarantor(s) acknowledge and expressly agree that they will make no claim, and hereby waive any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this Agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose.

4. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted or maintained in breach of this Agreement.

5. Franchisee and Personal Guarantor(s) are reminded of their ongoing obligations under the non-competition clauses of the Franchise Agreement and the Brand Protection Agreement for Principals signed with Franchisor.

6. Miscellaneous.

6.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

6.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with and all disputes hereunder will be governed by the laws of the state of Idaho without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake County, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Salt Lake County, Utah.

6.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake County, Utah, and the laws of the state of Idaho will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

6.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

6.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

6.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

6.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

6.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

6.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

6.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements ~~with~~ between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

6.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

6.12 Enforceability. Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

7. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

8. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

9. For franchisees located in Washington only: this Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, ~~and~~or any rule or order adopted thereunder.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date provided below written with the full authority of the company principal they represent.

FRANCHISOR:	FRANCHISEE:
REAL DEALS, INC.	_____
By: _____ (Signature)	By: _____ (Signature)
Name: Nate Kelsey	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

PERSONAL GUARANTOR(S):

By: _____	By: _____
Name: _____	Name: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Date: _____	Date: _____

EXHIBIT "H"
TO THE FDD

FRANCHISEE SIGNING CHECKLIST

Franchise Documents Signing Checklist ~~2024~~2025

The following items need to be filled out, signed, or dated by the party indicated and a copy of the document delivered to Real Deals, Inc.

[FOR FRANCHISEES]

1. When you receive the FDD

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
FDD Receipt pages	(last 2 pages of the entire FDD packet)	There are two receipt pages at the very end of the FDD. You must **sign and date both** copies. You will keep the copy labeled "Franchisee Copy" and return the other copy ("Franchisor Copy") to Real Deals.	

2. When you sign the Franchise Agreement and other documents

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Franchise Agreement	(Cover page, page 1 of the Franchise Agreement)	Fill in your name or the name of your company that will act as the franchisee.	
Franchise Agreement	(page 3)	1. In first paragraph fill in date the Franchise Agreement is signed, or the effective date of the agreement (if earlier than the date you sign) and your company name or your name if you do not have an entity.	
Franchise Agreement	Paragraph 18.1 (page ~~37~~39)	Fill in your name or your company name, address, and personal email (and fax if you have one).	
Franchise Agreement (Signature Page)	(page ~~44~~46)	1. If you have a company that will act as the franchisee, fill in the company name on the line before LLC/INC. and have the president, manager, etc., sign on behalf of the entity. 2. If you will be the franchisee personally, you will sign on the lower signature lines and print your name on the line before "personally."	
Territory	Exhibit A-1 (page ~~45~~47)	Please fill in the complete address of the approved location. Both you and Real Deals must initial and date this page.	
Company Reps. and Warranties	Exhibit A-2 (pages ~~46-47~~48-49)	If you have a company that will be the franchisee, you must fill out this document (every blank spot and/or checkmark) regarding all the owners and officers of your company.	

Brand Protection Agreement for Principals	Exhibit A-4 (page ~~50-53~~52-55)	**You and each owner and manager of your company, if applicable, must fill out and sign a separate form.** Fill out signature lines and sign last page ~~53~~.	
~~Employee~~Personnel Brand Protection Agreement	Exhibit A-5 (page ~~54-~~56-~~59~~)	All your employees need to fill out and sign separate non-compete agreements. **1.** On the first page ~~(page 54),~~ the employee will fill in the date the document is signed and will list you or your company as the franchisee, and the employee will fill in his/her address. **2.** On page ~~56~~58, you and your employee must sign this document. *****A copy of each signed non-compete must be emailed to us within 1 week of the employee's hire.*****	
Landlord's Consent	Exhibit A-6 (page ~~57~~60)	1. Fill in the name of the Landlord (will be the same as in your lease agreement). 2. Fill in your entity name or personal name if no entity formed. 3. Provide to your landlord and have him/her date and sign and return to you. *****This should be done at the same time you sign the lease agreement. You must send us an executed copy within 5 days of signing the lease agreement.*****	
ACH Agreement	Exhibit A-7 (page ~~58~~61)	Please fill in your business name or the store number Real Deals has assigned to you. Click the box for the type of account and fill in all bank information. Please sign, fill in your title and date.	
Guaranty and Assumption of Obligations	Exhibit A-8 (pages ~~59-60~~62-63)	1. Fill in the date of the franchise agreement on the first page ~~59~~ (will match the date on page 3 of the franchise agreement). 2. Fill in the date you are signing the Guaranty. 3. Each owner of the franchise business must sign and print their name. *If more signature lines are needed, print an additional page and have the additional owners sign.*	
Digital and Social Media Authorization for Assignment	Exhibit A-9 (pages ~~61-62~~64-65)	Fill in franchise name, title, date and signature.	
Franchisee Report	Exhibit A-10 (page ~~63~~66)	Franchisee must fill out relevant information, sign, and date~~, unless~~. DO NOT fill out and sign if the Franchisee is in the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin	
State Addenda to the Franchise Agreement (if applicable)	Exhibit A-~~10~~11 (pages ~~64-76~~67-77)	Only fill out the applicable state document if there is a space to do so *and only* if you are located in one of the listed states. The applicable states are: Illinois, Indiana, Minnesota, North Dakota, and Washington. (Signatures are required for Illinois, Indiana, Minnesota, North Dakota, and Washington.)	

OTHER DOCUMENTS AND EXHIBITS WITHIN THE FDD			
Illinois Addendum	Schedule 2 to the FDD	***Only sign*** at the bottom of Schedule 2 if you are a resident of Illinois or if the franchise will be located in Illinois.	
Minnesota Addendum	Schedule 4 to the FDD	***Only sign*** at the bottom of Schedule 4 if you are a resident of Minnesota or if the franchise will be located in Minnesota.	
Washington Addendum	Schedule 7 to the FDD	***Only sign*** at the bottom of Schedule 7 if you are a resident of Washington or if the franchise will be located in Washington.	
Release Agreement	Exhibit G to the FDD	***Do not fill out or sign this agreement***.	

3. Before you begin operations

DOCUMENT	INSTRUCTIONS	CHECK WHEN COMPLETED/ RECEIVED
Proof of insurance	You must obtain and maintain insurance that lists Real Deals as an additional insured. You must provide Real Deals with proof of this insurance.	
Your dba	In the state where your store is located, you need to file for a dba or "doing business as" under the name "Real Deals on Home Décor _____." The blank line will be the city where your store is located. For example, if your store is located in Las Vegas, Nevada, your filed dba could be "Real Deals on Home Décor – Las Vegas." Real Deals must approve your dba before you file it. You must send a copy of the dba filing to Real Deals after it is filed. Please note that a dba is different from your company name if you have a company that is the franchisee. Please note that you **cannot** use the name "Real Deals on Home Décor" as your company name.	
Franchisee's Entity Documents	If you use a company to be the franchisee, you need to send a copy of your articles of incorporation/organization along with your bylaws/operating agreement to Real Deals.	
Copy of lease agreement	You must send Real Deals a copy of the fully signed and dated lease, together with the Landlord's Consent. ***You must send us an executed copies within 5 days of signing the lease agreement.*****	

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 stated below:

State	Effective Date
Illinois	~~August 19, 2024~~Pending
Indiana	~~June 23, 2024~~Pending
Michigan	~~June 25, 2024~~Pending
Minnesota	~~October 1, 2024~~Pending
North Dakota	~~September 17, 2024~~Pending
South Dakota	~~June 24, 2024~~Pending
Virginia	~~December 19, 2024~~Pending
Washington	~~September 23, 2024~~ Pending
Wisconsin	~~June 21, 2024~~ 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
(Franchisee's Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this document and all agreements carefully.

If Real Deals, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York, and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Real Deals, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "F." Real Deals, Inc. authorizes the respective state agencies identified on Exhibit "E" to receive service of process for it in the particular state.

Real Deals, Inc. is located at 1411 E. 4400 N. Buhl, Idaho 83316. Its telephone number is (208) 543-6300.

The issuance date of this disclosure document is ~~June 20,~~ April 28, 2025~~2024, as amended November 13, 2024~~.

The names, addresses, and phone numbers of each franchise seller offering this franchise is as follows:

Name	Business Address	Phone Number
Nate Kelsey	1411 E. 4400 N., Buhl, Idaho 83316	(208) 543-6300

If your franchise seller's name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

_____

I received a disclosure document dated ~~June 20,~~ April 28, 2025~~2024, as amended November 13, 2024~~, that included the following Exhibits:

A. Franchise Agreement and its Exhibits
B. Financial Statements
C. Schedule of Franchisees
D. Table of Contents for Operations Manual
E. List of Agents for Service of Process
F. List of State Agencies Responsible for Franchise Disclosure & Registration Law
G. Release Agreement (Form)
H. Franchisee Signing Checklist

Date: _____ By: _____
(Do not leave blank) (Signature)

Title: _____ Name: _____
(Print name)

Please keep this copy for your records.

RECEIPT
(Franchisor's Copy)

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H. Franchisee Signing Checklist

Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____

Name: _____
(Print name)

If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to us at 1411 E. 4400 N., Buhl, Idaho 83316, emailing nate@realdeals.net.