

may be changed in response to any increase in the United States Consumer Price Index, if we choose to offer additional features, if we choose to provide additional web pages, or if we believe that conditions in the overall economy or in the market for such services warrant any change in fees. Website edits, updates and changes fees are non-refundable and are uniformly imposed and collected only by us, our affiliates, or our approved vendors (Franchise Agreement Section X.F).

**Note 7:** You will be required to obtain our written approval for any product (this includes supplies such as furnishings and fixtures), vendor and/or supplier that you wish to use in the operation of your Business (as described in Item 8), and you will be responsible for paying us an assessment fee. This fee is \$100 for any single product, vendor and/or supplier you wish to offer, use and/or substitute in your Business. We may waive these fees if the products, vendors and/or suppliers you select meet our requirements and are added to our approved list of products, vendors and/or suppliers for all franchise locations. All product, vendor and supplier assessment fees are payable only to us, are non-refundable and are uniformly imposed (Franchise Agreement Section X.G).

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$15,000	\$15,000	Lump sum; the Initial Franchise Fee is \$15,000 which includes a defined territory, a startup kit, training, and a website. This Franchise Fee is non-refundable. <u>In Minnesota, we will defer our receipt of your Initial Franchise Fee payment until you open your Franchised Business.</u>	At signing of the Franchise Agreement.	Franchisor See Note 1 and Item 5
Technology	\$1,000	\$4,000	As incurred; for a computer or laptop, tablet, software, printer, copier, scanner, router, modem, and a mobile phone.	Before Opening	Payable to our approved vendors
Furniture and Fixtures	\$23,750	\$40,000	As incurred; estimated costs for all furniture and fixtures necessary for the operation of your Business.	Before Opening	Payable to us, our affiliates, or approved vendors. See Note 2
Real Estate	\$0	\$1,900	As incurred: estimated expenses for either operating from home or leasing a 1,000 square foot storage unit, warehouse, or industrial space. This estimate includes first month's rent plus a security deposit.	Before Opening	Landlord See Note 3
Leasehold Improvements	\$0	\$500	As incurred; if you choose to lease a space for your Business, this is an estimate for minor interior improvements. Expenses will depend on the extent of the renovations needed and any allowance you negotiate with the lessor for construction.	Before Opening	Landlord See Note 4

**Table 5**  
**Projected Openings**  
**As of December 31, 2024**

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Current Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Florida	0	1	0
Iowa	0	1	0
<b>Totals</b>	<b>0</b>	<b>2</b>	<b>0</b>

A list of the names of all franchisees and the addresses and telephone numbers of their Dream Day Dressing Rooms® businesses are listed as Exhibit F to this Disclosure Document. A list of the name and last known home address and telephone number of every franchisee who has had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during Fiscal Year 2023 or who has not communicated with us within 10 weeks of our application date is attached as Exhibit G.

If you buy this Franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system.

At this time, there are no previously owned Dream Day Dressing Rooms® franchised outlets for sale.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchised system.

At this time, there are no trademark specific franchisee organizations representing Dream Day Dressing Rooms® franchisees, and no such trademark specific franchisee organization has asked us to be included in this Disclosure Document.

## **ITEM 21** **FINANCIAL STATEMENTS**

Our certified, independent, audited financial statements for the period from our date of formation December 20, 2021, to December 31, 2023, [un-audited profit and loss statement as of December 31, 2023, and unaudited balance sheet as of October 8, 2024](#) are attached to this Disclosure Document as Exhibit I. Our fiscal year end is December 31. We have not been in business for three years or more and therefore cannot include all financial statements required by the Federal Trade Commission franchise rules for our last three fiscal years.

## **ITEM 22** **CONTRACTS**

The following agreements are attached as exhibits to this Disclosure Document:

- Franchise Agreement - Exhibit A
  - Schedule 1 – Authorization for Pre-Arranged Payments
  - Schedule 5 – Individual Guaranty
  - Schedule 7 – Collateral Assignment of Lease
  - Schedule 8 – Confidentiality and Non-Compete Agreement
- State Addenda – Exhibit D

8. Whether Franchisee operates the Business home-based or out of a small storage unit, warehouse or industrial space, Franchisee shall upgrade, remodel and/or refurbish the Business (both inside and outside) and maintain all vehicles and trailers (if Franchisee chooses to use a trailer for its Business) to meet our then-current standards. All technology items (such as: computer or laptop, tablets, printers, router, modems, etc.) located on the Premises must be updated to meet our then-current requirements. All remodeling, modernization, redecoration, or replacements will be completed at Franchisee's expense in accordance with our specific standards and specifications.

## **VIII. FRANCHISEE'S INITIAL INVESTMENT**

Franchisee's initial investment will vary depending upon the time of year Franchisee starts operating the Business, if Franchisee operates out of his or her home or chooses to lease a small storage unit, warehouse or industrial space; amount of furnishings, fixtures, products and supplies Franchisee purchases; if Franchisee purchases a new or used vehicle, if Franchisee chooses to purchase a trailer for its Business, number of employees Franchisee hires, if Franchisee chooses to hire independent contractors, implementation of a marketing plan, Franchisee's management skills, economic conditions, competition in the surrounding area and other factors.

Franchisee hereby certifies that he or she has reviewed the estimated initial investment and start-up costs as detailed in the Franchise Disclosure Document and has sufficient cash resources available to meet said expenses. These start-up costs include the initial franchise fee.

## **IX. FRANCHISEE'S INITIAL FRANCHISE FEE / TIMING FOR OPENING**

### **A. Initial Franchise Fee and Payment**

By executing this Agreement, the applicant agrees to become a Franchisee and pay an "Initial Franchise Fee" in the amount of fifteen thousand dollars (\$15,000) for a Dream Day Dressing Rooms® business. This Initial Franchise Fee includes the right to operate a Dream Day Dressing Rooms® Franchise within a protected territory that serves a population of up to one million (1,000,000) persons, determined by zip code and census (with the final agreed upon Territory as described in Section IV of this Agreement). The Initial Franchise Fee includes a website housed within our national website that includes online ordering functionality, a startup kit that includes various marketing materials, access to our self-study program (and related materials) to be completed prior to attending our initial training program, our proprietary operations manual (along with other materials), a comprehensive five (5) day initial training program at corporate headquarters and up to three (3) days of onsite sales, marketing assistance and guidance.

The Initial Franchise Fee is due upon execution of this Franchise Agreement. The Initial Franchise Fee is uniform as to all persons currently acquiring a Franchise and is non-refundable. The Initial Franchise Fee shall be paid in a lump sum in United States funds and shall be deemed fully earned upon the opening of the Business for the deliverables as described above in Section IX.A. In Minnesota, we will defer our receipt of your Initial Franchise Fee payment until you open your Franchised Business.

### **B. Time Limit for Starting Business**

The Franchisee shall maintain the Business in accordance with the provisions and requirements of Section XII hereof, must complete our initial training program and have the Business operational to start offering and performing Services (the "Opening") within sixty (60) days of the date of execution of this Agreement (the "Opening Date"). This includes securing a lease that has been approved by us (if Franchisee chooses to open a location such as a small storage unit, warehouse or industrial space for the Business as described in Section XII.S). Prior to the Opening, it is Franchisee's responsibility to obtain all