

# FRANCHISE DISCLOSURE DOCUMENT



DDH Franchising, LLC  
a Delaware limited liability company  
543 Valley Road, Suite 7  
Montclair, NJ 07042  
332-230-4919  
franchising@ddh-home.com

DDH Franchising, LLC offers individual franchises for the operation of a DDH™ franchised business (“Franchised Business”) that offers professional organizing services, and other services, including estate clean-out management, move and relocation management, and home sale preparation, including decluttering, organizing, and styling spaces, and related products and services under the DDH Marks and System.

The total investment necessary to begin operation of a DDH franchised business is from \$79,800 to \$99,245. This includes \$54,500 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Kate Pawlowski at DDH Franchising, LLC at 543 Valley Road, Suite 7, Montclair, NJ 07042, or at 332-230-4919.

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

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

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

Issuance Date: February 27, 2026

## **DISCLOSURES REQUIRED BY CONNECTICUT LAW**

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

## DISCLOSURES REQUIRED BY MICHIGAN LAW

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

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

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

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

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

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

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Corporate Oversight Division, Attn.: Franchise Section, 525 W. Ottawa Street, G. Mennen Williams Building, 5th Floor, Lansing, Michigan 48913, telephone: (517) 335-7567.

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about territory 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 Attachment C.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Attachment A includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised territories.
<b>Will my business be the only DDH business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a DDH franchisee?</b>	Item 20 or Attachment C lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Attachments 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 Attachment D.

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in New Jersey. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in New Jersey than in your own state.
2. **Spousal Liability.** If you are married, your spouse must sign a personal guarantee making him/her jointly and severally liable for all obligations of the franchise, whether or not such spouse is involved in the operation of the franchise business. This requirement places both you and your spouse's marital and personal assets, including your house, at risk if your franchise fails.
3. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

**TABLE OF CONTENTS**

<b><u>ITEM</u></b>	<b><u>PAGE</u></b>
ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES .....	1
ITEM 2: BUSINESS EXPERIENCE .....	2
ITEM 3: LITIGATION .....	2
ITEM 4: BANKRUPTCY .....	3
ITEM 5: INITIAL FEES .....	3
ITEM 6: OTHER FEES .....	3
ITEM 7: ESTIMATED INITIAL INVESTMENT .....	7
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	10
ITEM 9: FRANCHISEE’S OBLIGATIONS .....	13
ITEM 10: FINANCING .....	14
ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....	15
ITEM 12: TERRITORY .....	20
ITEM 13: TRADEMARKS	
ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....	24
ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....	24
ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	25
ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....	25
ITEM 18: PUBLIC FIGURES .....	28
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS .....	28
ITEM 20: OUTLETS AND FRANCHISEE INFORMATION .....	33
ITEM 21: FINANCIAL STATEMENTS .....	35
ITEM 22: CONTRACTS .....	35
ITEM 23: RECEIPTS .....	35

**ATTACHMENTS**

- ATTACHMENT A - Financial Statements
- ATTACHMENT B - Franchise Agreement and Exhibits
- ATTACHMENT C - Current and Former Franchisees
- ATTACHMENT D - List of State Administrators; Agents for Service of Process
- ATTACHMENT E - State Addenda
- ATTACHMENT F - General Release Form
- ATTACHMENT G - Manuals Table of Contents
- ATTACHMENT H - Disclosure Acknowledgment Agreement
- ATTACHMENT I - State Effective Dates and Receipts

## ITEM 1

### THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we” and “us” means DDH Franchising, LLC, the franchisor. “You” means the person who buys the franchise. If a corporation, partnership or limited liability company buys a franchise, “you” also may refer to the shareholders of the corporation, partners of the partnership or members of the limited liability company.

#### The Franchisor

We are a Delaware limited liability company formed in March 2025. Our principal place of business is at 543 Valley Road, Suite 7, Montclair, NJ 07042. Our telephone number is 332-230-4919. Our agents for service of process are disclosed in Attachment D. We do not conduct business in any other line of business, and we have not offered franchises in any other line of business. We began franchising in March 2025.

#### Our Affiliates

One of our affiliates, DDH IP, LLC (“DDH IP”) is a Delaware limited liability company that was formed in March 2025 and has its principal business address at 543 Valley Road, Suite 7, Montclair, NJ 07042. DDH IP owns the “DDH” design trademark and other trademarks and service marks used in operating the System (defined below) and licenses them to us for use in the System.

Another affiliate, Done and Done NYC LLC (“Done and Done NYC”) is a New York limited liability company that was formed in July 2008 and has its principal business address at 543 Valley Road, Suite 7, Montclair, NJ 07042. As of the issuance date of this disclosure document, Done and Done NYC operates one DDH business, under the name “Done & Done Home” in the New York metropolitan area.

Except as described above, we have no parents, predecessors or affiliates. Our affiliates do not operate any other business except as described and have not, and do not, offer franchises in any line of business.

#### Franchise Offered

You will receive the right to own and operate an individual Franchised Business that offers professional organizing services, and other services, including estate clean-out management, move and relocation management, and home sale preparation, including decluttering, organizing, and styling spaces, and related products and services and related services we designate and approve. The Franchised Business will offer the services we approve and use certain distinctive types of equipment, supplies, confidential information, business techniques, proprietary software, servicing techniques, methods and procedures, and sales promotion programs, as we periodically may modify and further improve (collectively, the “System”). The Franchised Business may be operated from a location within one or more protected territories that we designate (each territory, a “Protected Territory”). The office may be located at your residence so long as you have dedicated office space at your residence and your residence is located within the Protected Territory.

#### Market and Competition

Any individual or business with a home or commercial space is a potential customer. The market for professional organization or cleaning service businesses is developing and includes both local

businesses and national chains. Your competition will include other cleaning, organization and moving businesses.

### Laws, Licenses and Permits

You must comply with all federal, state, and local laws, and we urge you to become familiar with these specific laws and regulations governing the operation of a Franchised Business in your state. For example, you must comply with all OSHA and EPA regulations and requirements. You also must operate your Franchised Business in compliance with all data protection and privacy laws and all employment and wage and hour laws. You also should check with your state and local authorities to determine if there are additional requirements. We are not aware of any industry-specific laws that apply to a Franchised Business.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### Kate Pawlowski – Co-Chief Executive Officer

Kate has been our Co-Chief Executive Officer in Montclair, New Jersey since March 2025. Kate also serves as the Co-Chief Executive Officer for DDH IP, LLC since March 2025, and has been the Co-Founder of Done and Done NYC since October 2014.

#### Ann Lightfoot – Co-Chief Executive Officer

Ann has been our Co-Chief Executive Officer in Montclair, New Jersey since March 2025. Ann also serves as the Co-Chief Executive Officer for DDH IP, LLC since March 2025, and has been the Co-Founder of Done and Done NYC since October 2014.

#### Josh Cohen – Advisory Board Member

Josh has been a Member of our Advisory Board since December 2025, and is based in Fairfield, Connecticut. Josh has also served as Executive Director and Franchise Coach for SMB Franchise Advisors in Doylestown, Pennsylvania since February 2026. Previously, Josh was also Founder and CEO of The Junkluggers in Fairfield, Connecticut from June 2004 to March 2024, and Founder and CEO of Remix Market in Stamford, Connecticut from June 2014 to March 2024.

#### Steven J. Berger – Advisory Board Member

Steve has been a Member of our Advisory Board since December 2025, and is based in Sharon, Connecticut. Steve has been self-employed as a venture capital investor since July 2021. Steve previously served as Co-Founder, Vice Chairman and CFO of Imagine Learning Inc. from January 2010 until July 2021.

## **ITEM 3**

### **LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4**

**BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

**ITEM 5**

**INITIAL FEES**

The “Initial Franchise Fee” for a single Protected Territory is \$49,500. If you elect to purchase more than one Protected Territory when you sign the Franchise Agreement, you will pay us an Initial Franchise Fee for each Protected Territory as follows:

<b>Protected Territory</b>	<b>Initial Franchise Fee Per Protected Territory</b>
1 <sup>st</sup> Protected Territory	\$49,500
2 <sup>nd</sup> Protected Territory	\$40,000
3 <sup>rd+</sup> Protected Territory	\$35,000
4+ Protected Territories	\$30,000

All Initial Franchise Fees are due and payable when you sign the Franchise Agreement, are fully earned by us upon receipt, and are non-refundable.

Prior to opening your Franchised Business, you will pay us a non-refundable \$5,000 fee (the “Initial Training Fee”) for the Initial Training Program, as described in Item 11.

We offer a Veteran discount to honorably discharged veterans of the United States armed forces and their spouses. We will reduce the Initial Franchise Fee for your first Protected Territory by 10% for veterans and/or their spouses who have received an honorable discharge from the military (as evidenced by a DD214) and meet our qualifications for a DDH Franchised Business.

**ITEM 6**

**OTHER FEES**

<b>Type Of Fees (1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	7% of Gross Revenue for the first \$500,000 in Gross Revenue  6% of Gross Revenue for Gross Revenue greater than \$500,000 and less than \$1,000,000  5% of Gross Revenue for Gross Revenue above \$1,000,000	Payable weekly via ACH on Tuesday for the week ending the immediately preceding Sunday	Will be debited automatically from your bank account by ACH or other means designated by us. (See Note 2)
Brand Fund Contribution	1% of Gross Revenue, which may be increased to up to 2% of Gross Revenue upon 30 days prior written notice to you	Payable weekly with the Royalty Fee	Will be debited automatically from your bank account by ACH or other means designated by us.  (See Item 11 for further description.)

Type Of Fees (1)	Amount	Due Date	Remarks
Minimum Local Advertising Marketing and Promotional Expenditures Requirement	\$2,250 per month per Protected Territory, with a cap of \$85,000 annually for up to four Protected Territories	When incurred	You must spend \$2,250 each month on pre-approved marketing within your Protected Territory. (See Note 4)
Sales Support Fee	2.5% of Gross Revenue	Payable weekly with the Royalty Fee	Will be debited automatically from your bank account by ACH or other means designated by us.
Technology Fee	\$250 per month	Payable monthly	(See Note 6)
Conference Convention Fee	Up to \$1,500	Payable in the year when a conference occurs	Payment is required regardless of attendance. (See Note 7)
Transfer Fee	\$10,000 for each Protected Territory  No charge if the transferee is an entity controlled and owned by current Franchisee.	Payable upon application to transfer	Payable if we approve your transfer request when the Franchise Agreement, assets, or interest in you is transferred, but prior to execution of final transfer agreements and authorization. You are responsible for any broker fees.
Renewal Fee	10% of our then-current initial franchise fee for the first Protected Territory	At least 30 days before renewal of Franchise Agreement	Payable if we approve your renewal request and upon signing our then-current form franchise agreement
Additional Initial / Required Ongoing Training	\$500 per person per day, plus travel and related expenses	Due before initial training or additional training, if required	
Relocation Fee	Our costs and expenses to review	When incurred	
Local and Regional Advertising Cooperatives	As established by cooperative members	As established by cooperative members	Established by cooperative members
Interest Expenses	Lesser of 1.5% per month or the maximum rate permitted by law	When due	Payable if you do not timely pay any fees or amounts owed to us or our affiliates.
Non-Compliance Fees	Up to \$1,000 per occurrence	Within 14 days of invoice	(See Note 8)
NSF Check Fee of Failed Electronic Fund Transfer	\$50 per violation	When incurred	Payable if your bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due from you to us.
Approved Supplier/ Product Testing Fee	Our reasonable and actual costs incurred	Payable when you request our approval of a proposed supplier or product	We may require you to pay us our then-current inspection and evaluation fee, plus our cost incurred evaluating the alternative product or supplier. (See Note 9)
Audit Fee	Cost of audit and related expenses plus interest	When incurred	(See Note 10)
Mystery Shopper and Quality Assurance Audit	Currently, not collected	On demand	(See Note 11)
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	We may recover costs and reasonable attorneys' fees for enforcement of any terms of the Franchise Agreement or if you lose in a dispute with us.

Type Of Fees (1)	Amount	Due Date	Remarks
Management Fee	20% of Gross Revenue, plus our expenses	When incurred	We may charge this fee in the event we choose to operate the Franchised Business due to death, disability, etc. (See Note 12)
Indemnification	The amount of any claim, liability or loss we incur from your Franchised Business.	When incurred	
Post-Termination or Post-Expiration Expenses	Costs and expenses.	As Incurred	
Insurance	Cost of insurance	When incurred	If you fail to obtain or maintain required insurance, we may obtain insurance and seek from you reimbursement for insurance.
Income and Sales Taxes	We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Franchised Business is located, as well as any assessment on fees and any other income we receive from you.	Payable, when applicable, by electronic funds transfer.	Only imposed if state collects these taxes or assessments.

Notes:

- (1) Type of Fees. Unless otherwise noted, all fees are payable to us, are non-refundable and are uniformly imposed, although we may occasionally reduce or waive fees. We reserve the right to require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer, credit card, or other similar means, as described in the Franchise Agreement and Manuals. If payments are required in this method, you must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached as Exhibit B to the Franchise Agreement or any other form that we may require or accept) for direct debits from your Franchised Business’s bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you shall authorize us or our affiliates to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us or our affiliates and any interest that may be owing. You shall make the funds available to us or our affiliates for withdrawal by electronic transfer no later than the payment due date. If you have not timely paid the Royalty Fee or any other fee due to us or our affiliates for any month, then we or our affiliates shall be authorized, at our option, to debit your account for the Royalty Fee and other applicable fees. A payment will be deemed delinquent if we or our affiliates do not receive the payment on or before the payment due date, or if there are insufficient funds in your bank account to collect the payment by a transfer of funds on or after the payment due date.
- (2) Gross Revenue Definition. “Gross Revenue” means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or otherwise, made, or provided at or in connection with the Franchised Business. The term “Gross Revenue” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes that you pay or accrue. For the purposes of the Franchise Agreement, a sale occurs at the time the customer pays for the products or services. Gross Revenue is deemed received when payment (i.e. collection on a customer’s personal check) actually has been received by you.
- (3) Royalty Fee. During the term of the Franchise Agreement, you will pay us a non-refundable system Royalty Fee (the “Royalty Fee”). The Royalty Fee is equal to a percentage of weekly Gross Revenue, as follows: 7% of Gross Revenue for the first \$500,000 in Gross Revenue per calendar year; 6% of Gross Revenue for Gross Revenue greater than \$500,000 and less than \$1,000,000 per

calendar year; and 5% of Gross Revenue for Gross Revenue above \$1,000,000 per calendar year. You will pay us your first Royalty Fee once you collect the first occurrence of Gross Revenue. The Royalty Fee is due and payable via electronic transfer on Tuesday of each week. With respect to each calendar year of the term of the Franchise Agreement, the 7% Royalty Fee will begin to again apply as of January 1. Gross Revenue will be aggregated across your contiguous Protected Territories, as applicable.

- (4) Minimum Local Advertising Spend Requirement. Each year, you will at a minimum spend the amount designated in Exhibit A to the Franchise Agreement (the “Minimum Local Advertising Spend Requirement”) on “approved” advertising and promotional activities in each Protected Territory. The Minimum Local Advertising Spend Requirement is \$2,250 per month per Protected Territory, with a cap of \$85,000 annually for up to four Protected Territories. We may require that some of the Minimum Local Advertising Spend Requirement be paid directly to us for local marketing efforts we undertake for the benefit of franchisees. If you fail to spend the minimum amount required for approved Minimum Local Advertising Spend Requirement, you will pay us the difference between what you should have spent for approved advertising and the amount you actually spent during the calendar year. We will use that amount to pay expenses we incur in connection with the general support of the franchise system and such amounts may not be spent in your Protected Territory.
- (5) Technology Fee. During the terms of the Franchise Agreement, you will pay us a non-refundable technology fee of \$250 per month (the “Technology Fee”) to offset our costs related to website maintenance, the customer relationship management (CRM) system and other items. The Technology Fee is due and payable in the same manner as the Royalty Fee. We may increase the Technology Fee no more than 25% in any 12-month period upon 30 days’ notice to you.
- (6) Convention Fee. You are required to attend our annual franchise conference that we sponsor or designate, pay our then-current fee, and any costs you incur to attend the conference. You will have to pay the Convention registration fee for two people even if you fail to attend.
- (7) Non-Compliance Fees. All Non-Compliance Fees will be imposed according to the schedule stated in the Manuals. Our right to charge you a Non-Compliance Fee does not limit our right to terminate the Franchise Agreement or take other action permitted under the Franchise Agreement and applicable law. The Non-Compliance Fees currently include the following:

Reporting Non-Compliance	\$150 per occurrence	Payable for failure to timely submit Royalty and Activity Reports, and other reports and financial statements as required under Franchise Agreement.
Operations Non-Compliance	\$450 to \$1,000 per occurrence	Payable for failure to comply with operational standards as required and specified under Franchise Agreement, plus inspection and re-inspection costs incurred by us.
Payment Non-Compliance	\$150 per occurrence	Payable for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs and legal fees.

- (8) Supplier Evaluation. If you propose to purchase any supplies, materials, equipment, vehicles, or signs we have not then approved, or any items from any supplier we have not then approved, you must notify us in writing and provide to us (at our request) sufficient specifications, photographs,

drawings and other information or samples for us to determine whether the supplies, materials, equipment, vehicles or signs comply with our specifications and standards, or the supplier meets our approved supplier criteria, which determination we will make and communicate in writing to you within a reasonable time (generally 30 days).

- (9) Audit. This fee is payable only if an audit shows an understatement of 2% or more of Gross Revenue in any month, or an audit is required because you did not provide us with required information in a timely manner.
- (10) Mystery Shopper and Quality Assurance. You must participate in any mystery shopper or quality assurance program we designate, and you may be required to pay a fee to participate in the programs.
- (11) Management of the Franchised Business. If you (or the Designated Owner) die or are permanently disabled, then your executor or other personal representative or the remaining Principal Owners must appoint a competent Operating Manager acceptable to us within 30 to 90 days. If no Operating Manager is appointed, we may step in to manage the Franchised Business and charge you this fee.

## ITEM 7

### ESTIMATED INITIAL INVESTMENT

#### YOUR ESTIMATED INITIAL INVESTMENT

Type Of Expenditures (Note 1)	Estimated Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Franchise Fee (Note 2)	\$49,500	\$49,500	Lump Sum	When you sign the Franchise Agreement	Us
Initial Training Fee (Note 2)	\$5,000	\$5,000	Lump Sum	When you sign the Franchise Agreement	Us
Construction, Leasehold Improvements (Note 3)	\$0	\$1,000	As Incurred	Before you open the Franchised Business	Contractor/Third-Party Suppliers
Furniture and Fixtures (Note 4)	\$0	\$500	As incurred	Before opening	Contractor/Third-Party Suppliers
Equipment and Supplies (Note 5)	\$0	\$2,500	Lump sum	Before opening	Third Party Suppliers
Signage (Note 6)	\$0	\$200	As incurred	Before opening	Third Party Suppliers
Computer, Software and Point of Sales System (Note 7)	\$900	\$1,320	As Incurred	When you sign the Franchise Agreement and As Incurred	Third Party Suppliers
Opening Inventory (Note 8)	\$1,000	\$1,000	As incurred	Before opening	Third Party Suppliers or Us
Rent Deposits (Note 9)	\$0	\$4,500	As incurred	Before opening	Landlord

Type Of Expenditures (Note 1)	Estimated Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Utility Deposits	\$0	\$75	As incurred	Before opening	Third Party Suppliers
Insurance Deposits and Premium (Note 10)	\$1,250	\$2,250	As arranged	Before opening	Third Party Suppliers
Pre-Opening Travel Expenses (Note 11)	\$1,650	\$4,400	As Incurred	As Incurred	Third Party Suppliers
Pre-Opening/Grand Opening Marketing Program (Note 12)	\$15,000	\$15,000	As Incurred	As Incurred	Third Party Suppliers
Professional Fees (accounting, attorney, bookkeeping, etc.)	\$3,000	\$7,000	As Incurred	As Incurred	Third Party Suppliers
Business Licenses and Permits (Note 13)	\$500	\$1,000	As Incurred	As Incurred	Governmental Agencies & Departments
Printing, Stationery and Office Supplies (Note 14)	\$500	\$1,000	As incurred	Before opening	Third Party Supplier or Us
Additional Funds – 3 Months (Note 15)	\$1,500	\$3,000	As Incurred	As Incurred	Third Party Suppliers
<b>TOTAL (Notes 16-17)</b>	<b>\$79,800</b>	<b>\$99,245</b>			

Notes:

- (1) Type of Expenditure. Except where otherwise noted, all fees that you pay to us are non-refundable. We and our affiliates do not offer direct or indirect financing to franchisees for any items. Third party lessors, contractors and suppliers will decide if payments to them are refundable. We assume that you will be operating your business from your home and will not need office space in the initial months of operation.
- (2) Initial Franchise Fee and Initial Training Fee. You pay us the Initial Franchise Fee and Initial Training Fee as more fully described in Item 5.
- (3) Construction, Leasehold Improvements. You are not required to lease a separate office. The low end of the range anticipates that you will operate the Franchised Business from a home office. The high range of the estimate anticipates that you will establish the Business at a separate office location. If you lease a separate office to operate the Franchised Business, the exact cost or impact on your rental expense will depend on several factors, including the condition of the premises, whether you elect to do more than the minimum required renovations, the landlord's agreement to reimburse you for certain improvements, the size and location of the office for your Franchised Business and other economic factors. If you initially establish a home office for your Franchised Business, or you already have a suitable office, you may incur no or minimal expenses for leasehold improvements to meet our minimum standards. The high end of the range assumes that you will establish a separate office for your Franchised Business and will need to make certain leasehold improvements to the leased premises to comply with our minimum standards. Leasehold improvements include all internal elements of the leased premises. We anticipate that you likely will negotiate the cost of leasehold improvements as part of your rental expense. The exact cost or impact on your rental expense will depend on several factors, including the condition of the premises, whether you elect to do more than the minimum required renovations, the landlord's

agreement to reimburse you for certain improvements, the size and location of the premises for your office and other economic factors. You will incur greater start-up costs if you cannot negotiate the cost of leasehold improvements as part of your rental expense.

- (4) Furniture and Fixtures. This amount includes estimated expenses for basic office furniture and fixtures. The cost of purchasing furniture and fixtures will vary depending on any existing office furniture and fixtures you have, price differences between suppliers, and whether you establish a separate office for the Franchised Business.
- (5) Equipment and Supplies. This amount includes estimated expenses for equipment and supplies used in the operation of your Franchised Business, including estimated expenses related to the Computer System (as defined in Item 11). As described in Item 5, you must purchase this equipment and other items from us, our affiliate, or our designated suppliers.
- (6) Signage. We require you to purchase and install signage that meets our specifications, including vehicle magnets that identify the Franchised Business. Local sign codes will dictate the type of signage permitted on certain properties and in certain areas.
- (7) Computer System, Software and Point of Sales System. This amount reflects the amount you may pay for certain components of the Computer System hardware which we designate for use in your Franchised Business. If you already own computer hardware that meets our requirements for the Computer System, you may not need to purchase any additional computer hardware. This estimate also includes the Technology Fees for three months.
- (8) Opening Inventory. We require you to purchase certain organization inventory components that meet our specifications, including bins, baskets and label makers.
- (9) Rent Deposits. If you establish a separate office for your Business, we estimate that the rent deposit for the premises will be one month's rent.
- (10) Insurance. The insurance estimate reflects insurance costs for a period of 3 months.
- (11) Pre-Opening Travel Expenses. You are responsible for all travel and accommodation costs and expenses for attendees of the Initial Training Program. The estimate included in the table above includes estimates for travel expenses for one to two people to attend the required Initial Training Program in-person (described further in Item 11).
- (12) Pre-Opening/Grand Opening Marketing Program. You will spend the minimum Pre-Opening/Grand Open Marketing Program requirement on "approved" advertising and promotional activities in your Protected Territory. The estimate above assumes that during the first three months of opening the Franchised Business, in order to promote your Franchised Business, you will spend a minimum of \$15,000 per Protected Territory. This number may be different based on your individual lead goals, the development of the brand in your market, the cost of advertising and promotional activities in your territory, and market dynamics.
- (13) Business Licenses and Permits. This amount includes estimates for business licenses and permits and will vary depending on local requirements.
- (14) Printing, Stationery and Office Supplies. We require you to purchase certain supplies such as business cards, office supplies and items bearing the Marks.

- (15) Additional Funds - 3 Months. This amount estimates the expenses you will incur during the first three months of Franchised Business operations, including fuel and mileage, consumables, miscellaneous supplies, and professional fees (such as attorneys or accountants). We relied on our affiliates' experience in operating the corporate location to estimate these costs. These amounts are estimates, and we cannot guarantee that you will not incur additional expenses in starting your Franchised Business.
- (16) Total. This total is an estimate of your pre-opening initial investment and the estimated expenses you likely will incur during the first three months of Franchised Business operations. The total is based on our affiliate's experience in operating the company-owned DDH Business in Montclair, New Jersey since October 2014. It is also based on our sourcing estimates for other expenses, including inventory and the computer system. We cannot guarantee that you will not have additional expenses in starting or operating your DDH Franchised Business.
- (17) Multiple Protected Territories. You may have an opportunity to purchase the right to operate in multiple Protected Territories under the Franchise Agreement. If you elect to purchase multiple Protected Territories, the only changes to your fees will be an increased Initial Franchise Fee (as described in Item 5) and an increased Pre-Opening/Grand Opening Marketing Program Requirement (as described in Item 11). Otherwise, we do not expect you to incur any other additional expenses or incur additional obligations.

## ITEM 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of products and services throughout the DDH system, you must maintain and comply with our quality standards. We will provide you with our Manuals and various bulletins and notices that will contain these standards. As we determine trends in the marketplace or develop new marketing techniques, technologies, products and services, we anticipate that we will develop and modify our standards as we consider appropriate and useful, and notify you through amendments to the Manuals, newsletters or other bulletins.

#### Location of your Franchised Business; Real Estate Lease; Vehicle

You may either lease a space for the Franchised Business or operate your Franchised Business from a home office. Regardless of whether you lease a space for your Franchised Business or operate your Franchised Business from a home office: (i) the Franchised Business premises must be located in the Protected Territory, and (ii) the Franchised Business premises must meet our standards and requirements. You are not required to purchase, lease, or sublease the Franchised Business premises from us or our affiliate. We are assuming that you have or will obtain a vehicle for use in the Franchised Business.

#### Equipment, Products & Signs

You will use in operating your Franchised Business only those types of approved or designated materials, supplies, equipment and signs that we have approved as meeting our specifications and standards for appearance, function, and performance. You may purchase these items from any supplier we approve or designate. We or one of our affiliates may be an approved supplier of one or more of these items.

## Computer Hardware and Software

You must purchase and use the computer system we designate, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed and/or selected for the System (the “Computer System”). The Computer System developed for use in your Franchised Business may include one or more proprietary software programs or applications developed for us (the “Proprietary Software”). You may obtain the elements of the Computer System from any source, provided the Computer System meets our standards and specifications.

## Sales Support Center

You must participate in our sales support center program (the “Sales Support”) where we or our affiliate will communicate with current and prospective customers on your behalf. We may cancel or modify the Sales Support at any time. The Sales Support Fee is equal to 2.5% of your Gross Revenue, payable weekly to us with your Royalty Fee.

## Accounting

During the terms of the Franchise Agreement, you will pay our designated vendor a non-refundable accounting fee of \$500 per month (the “Accounting Fee”), for accounting and tax services provided by our designated vendor, currently QMK Consulting. Each Franchised Business must use our designated vendor for these services. The Accounting Fee may be increased by no more than 25% in any 12-month period upon 30 days’ notice to you.

## Insurance

You must purchase and maintain for each Franchised Business you operate, at your expense, all insurance we require in the types and amounts described in the Manuals. Currently, these requirements include, generally, the following: (a) general liability insurance in the amount of \$1 million per occurrence and \$2 million in the aggregate; (b) commercial auto insurance in the amount of \$1 million per occurrence and \$1 million in the aggregate; (c) worker’s compensation & employers liability insurance with minimums of \$1 million; (d) crime insurance with minimums of \$250,000; (e) cyber liability insurance with minimums of \$250,000; (f) employment practices liability insurance with minimums of \$250,000; and (g) all insurance required by law. All insurance policies will: (1) be issued by an insurance carrier(s) acceptable to us; (2) will name us and our affiliates as an additional insured; (3) contain a waiver of the insurance company’s right of subrogation against us; (4) contain the minimum insurance coverage we designate for each Franchised Business that you operate; and (5) provide that we will receive 30 days’ prior written notice of any material change in or termination, expiration or cancellation of any policy. We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If you at any time fail to maintain in effect any insurance coverage we require, or to provide satisfactory evidence of such coverage, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums we incur. You will provide us with copies of the certificate of insurance, insurance policy endorsements or other evidence of compliance with these requirements at least 2 weeks before you commence operating the Franchised Business premises, and at such other times as we may require. In addition, you will provide to us a copy of the evidence of the renewal or extension of each insurance policy in a form we require.

### Advertising and Promotional Approval

You will use only our approved advertising and promotional materials in promoting the Franchised Business, and we or our affiliates may be the sole supplier of the advertising and promotion materials. You may have to purchase some of the approved advertising and promotional materials, and we and our affiliates may be the sole supplier of the purchased materials. If you desire to use any advertising or promotional materials in promoting the Franchised Business which we previously have not approved, you must obtain written approval from us before using any such materials, which approval will not be unreasonably withheld. We typically approve advertising or promotional materials within 5 to 10 days of receipt of the proposed material. If we later determine that your advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

### Supplier and Product Approval

In operating the Franchised Business, you will use only those types of materials, supplies, equipment, and signs that we have approved for DDH businesses as meeting our specifications and standards for appearance, function and performance. We will provide you with lists of approved brands, manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved products, equipment, vehicles, signs, supplies and other items necessary to operate your Franchised Business (“Approved Supplies List”). The lists specify the suppliers and the products and services which we have approved for use in the System. We may revise these lists and provide you with a copy of approved lists as we deem advisable. The Approved Suppliers List may list particular suppliers from which you must purchase certain supplies, products, equipment or other items for use in your Franchised Business. The Approved Supplies List may include specific brands or types of vehicles, supplies, equipment, or other items that you may buy from approved suppliers, or if there is no approved supplier for the item, from an unapproved supplier provided that the items conform to the standards and specifications we designate for the System. We, an affiliate, or a third-party vendor or supplier periodically may be one of or the only approved supplier for certain products, supplies, equipment, or other items. We are currently not a designated or approved supplier for any supplies, products, equipment, or other items needed to operate the Franchised Business, but we reserve the right to be a designated or approved supplier in the future.

If you want to use any unapproved material, supply, equipment, product or sign, or purchase any items from any supplier that we have not approved, you must first notify us in writing and must submit to us, at our request, sufficient information, specifications and samples for us to determine whether the services, material, supply, equipment, product or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria. We will not provide you with a list of our criteria. We will notify you of our decision within 90 days following our receipt of all information requested. We reserve the right to charge an evaluation and/or testing fee (currently, not collected) in connection with this process. We may inspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier which fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or supply. As part of the approval process, we may require that a proposed supplier sign a supplier agreement covering such items as insurance, product quality, trademark use, and indemnification. We do not provide material benefits to you based on your use of designated or approved sources.

We apply certain general criteria in approving a proposed supplier, including the supplier’s quality and pricing of products, ability to provide products/services that meet our specifications, responsiveness, ability to provide products/services within the parameters required by the System, quickness to market with new items, financial stability, credit program for franchisees, success pricing, delivery terms, freight costs,

and the ability to provide support to the System (merchandising, field assistance, education and training respecting sales and use of products and services).

Miscellaneous

We may negotiate prices for numerous products for the benefit of the System, but not for any individual franchisee. We are not aware of any purchasing or distribution cooperative in the System. We attempt to receive volume discounts for the System.

During our last fiscal year ending December 31, 2025, we did not receive any revenue as a result of franchisee purchases of products and services.

We (directly or through an affiliate) may derive revenue directly or in the form of rebates or other payments from suppliers, based directly or indirectly on sales of products, advertising materials and other items to franchisees, and from other service providers. These payments may range from less than 1% up to 10% or more of the total purchase price of those items.

We estimate that the purchase or lease of products, equipment, software, signs, fixtures, furnishings, supplies, advertising and sales promotions materials and other items meeting our specifications will represent approximately 40% to 70% of the cost to develop the Franchised Business and 20% to 35% of the cost to operate your Franchised Business.

**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 other items of this disclosure document.**

Obligation		Section(s) in Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2(A)	Item 11
b.	Pre-opening purchases/leases	Sections 4(A), 5 and 10(A)	Items 7, 8 and 11
c.	Site development and other pre-opening requirements	Sections 5 and 6	Items 5, 7, and 11
d.	Initial and ongoing training	Sections 2(E), 3(B), 6, 15(C), and 15(D)	Items 7 and 11
e.	Opening	Sections 5(A) and 5(E)	Items 5 and 11
f.	Fees	Sections 2(D), 3(B), 4, 5(B)-(D), 5(F), 6, 10(C), 10(K), 10(L), 11, 13(A), 13(C) and 15(C)	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Sections 4(F), 5, and 10	Items 11 and 16
h.	Trademarks and proprietary information	Sections 1(A) and 7	Items 13 and 14

	<b>Obligation</b>	<b>Section(s) in Franchise Agreement</b>	<b>Disclosure Document Item</b>
i.	Restrictions on products/services offered	Sections 2(B), 5, 6(F), and 10	Items 8 and 16
j.	Warranty and customer service requirements	Section 10	Item 11
k.	Territorial development and sales quota	Section 2	Item 12
l.	Ongoing product/service purchases	Sections 5 and 10	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 3(B), 5(A), 5(B), 10(A) and 10(E)	Item 11
n.	Insurance	Section 10(H)	Items 6, 7 and 8
o.	Advertising	Sections 5(D) and 11	Items 6, 7 and 11
p.	Indemnification	Sections 4(K) and 9	None
q.	Owner's participation/management/staffing	Section 10(G)	Items 11 and 15
r.	Records/reports	Section 12	Item 6
s.	Inspections/audits	Section 13	Item 6
t.	Transfer	Section 15	Items 6 and 17
u.	Renewal	Section 3	Items 6 and 17
v.	Post-termination obligations	Sections 9, 14 and 18	Item 17
w.	Non-competition covenants	Section 14(C)	Item 17
x.	Dispute resolution	Sections 19 and 20	Item 17

## **ITEM 10**

### **FINANCING**

We do not offer any direct or indirect financing. We do not guarantee your note, lease or obligation, nor do we receive payment or other consideration for the placing of financing.

## ITEM 11

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

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

#### Pre-Opening Assistance

Before you open your Franchised Business, we will:

- (1) Approve your Operating Manager and Designated Owner (Franchise Agreement – Sections 1(C) and 1(G)).
- (2) Designate your Protected Territory (Franchise Agreement – Section 2(A)).
- (3) Provide you with a written list of our approved and designated supplies and suppliers, including for equipment, signs, inventory and supplies (Franchise Agreement – Section 5(C) and 10(C)). We do not provide these items to you or deliver/install them.
- (4) Provide the initial training programs described below (Franchise Agreement – Section 6(A)).
- (5) Provide to you access to the confidential Manuals. You must keep the Manuals confidential and discontinue using it when the Franchise Agreement terminates (Franchise Agreement – Section 6(F)).
- (6) Before the opening of your Franchised Business, make a representative available to you to assist in the opening of your Franchised Business (Franchise Agreement – Section 6(B)).

#### Ongoing Assistance

During the operation of your Franchised Business, we will:

- (1) Operate the Designated Accounts program (Franchise Agreement – Section 2(D)).
- (2) Provide advisory services relating to Franchised Business operations, including the products and services offered for sale from the Franchised Business; selecting and purchasing supplies, equipment, and materials; employee relations; marketing assistance and sales promotion programs; and operating, administrative and general operating procedures. We will provide such guidance through our Manuals, bulletins or other written materials, telephone conversations and/or meetings at our office or at the Franchised Business (Franchise Agreement – Section 6(D)).
- (3) Periodically provide you with updated and revised materials for the Manuals (Franchise Agreement – Section 6(F)).
- (4) Provide such additional assistance and training that we deem appropriate (Franchise Agreement – Sections 6(C) and 6(E)).
- (5) For as long as we deem appropriate, we will provide you Sales Support services. (Franchise Agreement Section 10(L)).

- (6) We may, but are not required to, provide you with assistance in setting pricing.

### DDH Advertising

We intend to establish and operate a production and marketing fund (the “Brand Fund”) to promote DDH Franchised Businesses in the System and conduct other promotional and marketing activities. You will pay us a weekly marketing fee equal to 1% of Gross Revenue during the previous week (the “Brand Fund Contribution”). We may increase the Brand Fund Contribution amount up to 2% of Gross Revenue upon 30 days’ notice to you. We will deposit the Brand Fund Contribution in the Brand Fund that we manage.

Disbursements from the Brand Fund will be made solely to pay reasonable expenses we incur in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising, marketing, promotional and public relations campaigns; the cost of market research and analytics; and the costs of administering the Brand Fund, including the cost of employing advertising, public relations and other third-party agencies to assist us and providing promotional brochures and advertising materials to DDH Franchised Businesses and to regional and local advertising cooperatives, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Brand Fund. We will determine the methods of advertising, media employed and the geographic scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. The Brand Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Brand Fund.

We are not required to spend any particular amount on marketing, advertising or production in the area in which your Franchised Business is located. Brand Fund Contributions not spent in any fiscal year will be carried over for future use. Brand Fund Contributions will not be used for advertising principally directed at the sale of franchises. At your request, we will provide you with an annual unaudited statement of the receipts and disbursements of the Brand Fund for the most recently completed calendar year.

DDH Franchised Businesses that we operate in the United States will contribute to the Brand Fund at the same percentage rate as a majority of DDH Franchised Businesses must pay to the Brand Fund. During our fiscal year ended December 31, 2025, we did not collect any Brand Fund Contributions.

At least 30 days before you open your Franchised Business and for 60 days after opening, you must spend a minimum of \$15,000 for each Protected Territory on a Pre-Opening/Grand Opening Marketing Program that we have approved in advance. You will obtain our approval of the Grand Opening Campaign, and you must use our designated media vendor (if any) and must implement our recommended media plan (if any) in conducting the Pre-Opening/Grand Opening Marketing Program.

You will spend the Minimum Local Advertising Spend Requirement on “approved” advertising and promotional activities in each Protected Territory. Advertising and promotional activities are considered “approved” if they are included in our recommended media plan for the Franchised Business (if applicable) and otherwise comply with our marketing and advertising requirements in the Manuals. On or before 45 days following the end of the applicable calendar year, you will provide us with an accounting of the funds that you spent on local advertising during the preceding calendar year. We may require that some of the Minimum Local Advertising Spend Requirement be paid directly to us for local marketing efforts we undertake for the benefit of franchisees. If you fail to spend the Minimum Local Advertising Spend Requirement in each Protected Territory during the previous calendar year on approved local advertising, you will pay us the difference between the Minimum Local Advertising Spend Requirement and what you actually spent for approved advertising during the calendar year. We will use that amount to pay expenses we incur in connection with the general support of the franchise system and such amounts may not be spent in your

Protected Territory. During the first calendar year, you must spend a pro rata portion of the Minimum Local Advertising Spend Requirement on approved local advertising.

We do not have an advertising or advisory council composed of franchisees that advise us on advertising policies, but we reserve the right to form a council and the rights of that council in the future. As of the issuance date, we do not require you to participate in an advertising cooperative. We are not required to spend any money in your Protected Territory for marketing purposes.

You will use only our approved advertising and promotional materials in promoting the Franchised Business. If you desire to use any advertising or promotional materials in promoting the Franchised Business which we previously have not approved, you must obtain written approval from us before using any such materials, which approval will not be unreasonably withheld. We typically approve advertising or promotional materials within 5 to 10 days of receipt of the proposed material. If we later determine that your advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

### Computer System

You must use in your Franchised Business the Computer System. We periodically may update or change the Computer System in response to business, operations, marketing conditions, or changes in technology. Currently, we estimate that the initial cost of the Computer System hardware and equipment will range from \$550 to \$3,820.

Currently, the Computer System includes a laptop, a smart phone and a printer, and such other hardware and software as we designate. You will be required to purchase proprietary software from us or a third party we designate and update any proprietary software at any time during the term of the Franchise Agreement. Currently, you must acquire licenses to QBOE, Google Suite, Slack, and MailChimp software, which we estimate to cost \$300 per month. You also must pay us a Technology Fee of \$250 per month, which we may increase upon 30 days written notice to you, but we will not increase it by more than 25% each year.

We may independently access financial information and customer data produced by or otherwise located on your Computer System (collectively the “Customer Data”). We periodically will establish policies respecting the use of the Customer Data. There is no limit to our ability to access Customer Data.

You may be required to obtain ongoing maintenance and repairs respecting the Computer System, as well as upgrades or updates respecting the Computer System, and there are no contractual limitations on our right to require you to maintain and repair the Computer System. You must incorporate these upgrades and updates to the Computer System, and we estimate they will cost between \$0 to \$2,000 per year.

### Site Selection

You must locate the site for operation of the Franchised Business that meets our standards and requirements. We estimate that you will initially need a minimum of 100 square feet of space to operate the Franchised Business. You may either lease a space for the Franchised Business or operate the

Franchised Business from a home office provided that there is a dedicated office space within the residence. The location for the Franchised Business will be identified in Exhibit A to the Franchise Agreement.

Development Time

The typical length of time between your signing of the Franchise Agreement (or the first payment of consideration for the franchise) and the opening of your Franchised Business varies from 30 to 90 days. This period may be longer or shorter, depending on the time of year, availability of financing, how soon you can attend training, or other factors. You must complete development, attend the initial training in-person, and open your Franchised Business within 90 days following the date of the Franchise Agreement. If you do not open your Franchised Business within the 90-day time period, we may terminate the Franchise Agreement.

Training

We will provide the initial training program (“Initial Training Program”) to your Designated Owner and Operating Manager (or if your Designated Owner is your Operating Manager, then you may include additional managers or employees to attend) and your sales employee(s) can attend sales training at the same time. There is a \$5,000 Initial Training Fee for the Initial Training Program for your Designated Owner and Operating Manager (or other approved manager or employee) and your sales employee(s) to attend the initial training program, and you are responsible for any costs incurred to attend the in-person component. We plan to offer our initial, in-person component of the training program as often as needed, and space may be limited based on the number of attendees.

The Initial Training Program will take place over the course of 2 weeks, and will be virtual training for the first week, and will be based out of our Montclair, New Jersey based location for the second week. We expect to conduct the Initial Training Program after you have completed pre-opening activities such as: completing the online courses and reading the required book and training manual. A pre-opening checklist contained in the Manuals, provided after you sign the Franchise Agreement, will help you complete critical steps and prepare for the Initial Training Program. We typically schedule training 4 to 6 times per year, approximately every 8 to 12 weeks. Ideally, you will attend the Initial Training Program within 4 to 6 weeks of the opening the Franchised Business.

You may not open your Franchised Business unless your Designated Owner and Operating Manager (or other approved managers or employees) successfully complete the Initial Training Program and other required training to our satisfaction. The Initial Training Program generally consists of the following:

**TRAINING PROGRAM**

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
<b>Introduction:</b> Welcome, Our Brand Culture, History, Mission and Vision	1	1	Montclair, NJ, or virtually
<b>Establishing the Business:</b>	1	1	Montclair, NJ, or virtually
<b>Personnel:</b> Scheduling, Team Management and Development	2	2	Montclair, NJ, or virtually

<b>Marketing:</b> Advertising, Promotions, Networking, Our Services, Building the Client Relationship	2	3	Montclair, NJ, or virtually
<b>Operations:</b> Sales Techniques, Providing Services, Supplier Relationships, Safety and Security	2	4	Montclair, NJ, or virtually
<b>Organizing:</b> Techniques for Home Organizing and Move Management	8	24	Montclair, NJ, or virtually
<b>Financial Management:</b> Fiscal Responsibility, Goal Setting, KPIs and Reporting, Royalties and Franchise Obligations	2	2	Montclair, NJ, or virtually
<b>Review:</b> Assessment, Next Steps in Launching your Opening	2	3	Montclair, NJ, or virtually
<b>TOTAL HOURS</b>	<b>20</b>	<b>40</b>	
<b>TOTAL</b>	<b>60</b>		

- (1) The trainings will take place at the locations stated above, or at a location we determine in our sole discretion.
- (2) Ann Lightfoot, our Co-Chief Executive Officer, will oversee initial training. Please refer to Item 2 of this Disclosure Document for Ann’s background and experience. The Manuals will be the basis of our instruction, reinforced with hands-on training including observation and visual instruction. We employ video and virtual instruction to cover many of the topics identified on the chart below.
- (3) We may change any in-person training to virtual training at any time.

If we require, or you would like us to provide the Initial Training Program to any additional individuals, no fee will be charged; however, it may be subject to space limitations. You are solely responsible for all compensation, travel, lodging and living expenses that you and your designees incur while attending the Initial Training Program in-person and any supplemental or refresher training programs.

After you open your Franchised Business, we may require that you (or if you are an entity, the Designated Owner and Operating Manager) and/or such other managers or employees we designate to attend, or when available, participate by Internet in, such supplemental and refresher training programs we designate. We currently reserve the right to charge a fee of up to \$500 per person per day for additional or required ongoing training.

### Conferences

We will host periodic meetings of DDH businesses (the “Convention”) where you have the opportunity to network with other DDH businesses and learn new skills. You must pay the Convention registration fee for at least two people to attend the Convention. The Convention registration fee is currently \$1,500 per attendee, plus costs and expenses. You must pay the Convention registration fee for two people, even if you fail to attend the Convention, to cover the costs and expenses we incur to provide you with the opportunity to attend the Convention.

### Manuals

During the term of the Franchise Agreement, we will allow electronic access to our manuals, bulletins, guidelines, and other system communications (the “Manuals”). There are currently 140 pages in

the Manuals. The current table of contents of the Manuals, as of the Effective Date of this Disclosure Document, is attached as Attachment G.

## ITEM 12

### TERRITORY

You will receive one or more contiguous Protected Territories when you sign the Franchise Agreement. We use a broad range of factors in determining the size of each Protected Territory, including but not limited to, average income, number of households, and other economic data which are relevant to your market, which generally will be of no less than 20,000 households with \$100,000 of household income.

The location of the Franchised Business and the Protected Territory(ies) will be identified in Exhibit A to the Franchise Agreement. You may either lease a space for the Franchised Business or operate the Franchised Business from a home office provided that there is a dedicated office space within the residence. Regardless of whether you lease a space for the Franchised Business or operate the Franchised Business from a home office: (i) the Franchised Business premises must be located inside the Protected Territory, and (ii) the Franchised Business premises must meet our standards and requirements. As described further below, maintenance of your Protected Territory(ies) is dependent upon achieving certain minimum performance requirements and other contingencies.

During the term of the Franchise Agreement and provided you comply with the Franchise Agreement, we will not place, or grant a third party the right to place, another DDH business inside the Protected Territory, except as described below. Unless we otherwise expressly authorize in writing, the Marks licensed to you under the Franchise Agreement: (i) may not be used at any location other than the Franchised Business, and (ii) may be used in connection with a vehicle we authorize, provided the vehicle is only used inside the Protected Territory. You may not sell products or services identified by the Marks at any location other than at or from the Franchised Business or from a vehicle that we approve that is operated solely inside the Protected Territory without obtaining our prior written consent. Except as expressly allowed in the Franchised Agreement, you must concentrate your advertising and marketing efforts within your Protected Territory.

We (for ourselves and our affiliates) retain all rights not expressly granted to you in the Franchise Agreement, including the right:

1. to operate, or to grant other persons the right to operate, DDH businesses at locations outside the Protected Territory (except to the extent we may be restricted under a separate DDH franchise agreement to which you are a party);
2. to service customers or offer products or services, or to grant other persons the right to service customers or offer products or services, located inside or outside the Protected Territory under any trademarks except for the Marks; *provided*, that we will not authorize any person the right to provide the full offering of products and services offered at or from your Franchised Business, except as a result of a merger or acquisition as described below;
3. to sell products, equipment, and other materials under the Marks or other trademarks through dissimilar channels of distribution (i.e., other than the operation of a DDH business), including by electronic means such as the Internet and by websites we establish, or through retail locations within and outside the Protected Territory;

4. to merge with, acquire, be acquired, or become associated with any businesses of any kind under other systems and/or other marks, which businesses may convert to or operate under the Marks or other trademarks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your Franchised Business, and which may be located anywhere inside or outside the Protected Territory;

5. to provide services to Designated Accounts as described further below; and

6. to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain, and modify, or discontinue the use of a website using the Marks.

We are not required to pay you any compensation if we exercise any of these rights.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We or our affiliates have the right to sell and enter into agreements with Designated Accounts, both inside and outside the Protected Territory. A “Designated Account” are those customers or accounts we designate as desiring central billing accounts or that have at least 10 locations, and such locations are located in more than one franchised or company-owned territory or market. You must participate in any regional or national accounts program (the “Designated Accounts Program”) we designate and comply with the terms of the Designated Accounts Program as described in the Manuals or as we otherwise describe in writing. We will establish the rules under which you will participate, and be compensated for participation, in the Designated Accounts Program. We may terminate, modify or replace the Designated Accounts Program at any time. We have the right to service a Designated Account or grant a third party (including another DDH franchisee) the right to service a Designated Account in your Protected Territory for all of the following reasons: (i) you are in default of the Franchise Agreement; (ii) the Designated Account objects to you providing the services; (iii) you fail to timely notify us of your acceptance of the Designated Account business; or (iv) you cannot or will not service the Designated Account business for any reason. If a Designated Account contacts you directly, you must refer the Designated Account to us within 2 business days. We will negotiate all contracts with Designated Accounts, and you will not have any right to negotiate any contract or provide services to the Designated Account without our express written consent.

You may not, unless in connection with other DDH franchisees and with our consent, market or advertise in telephone or similar online directories that directly target areas outside of your Protected Territory or establish a mailing address for your Franchised Business or make other representations to potential customers that would lead others to believe that you have facilities or authorization to operate outside the Protected Territory.

Finally, if neither we nor another franchisee operates in an area adjacent to your Protected Territory, then upon your receipt of our prior written consent, you may advertise, market and/or service commercial or residential customers located outside of your Protected Territory. In those instances, we reserve the right to require you, in the future, to cease all direct advertising and marketing efforts to those customers located outside your Protected Territory, and we reserve the right to require you to purchase the area adjacent to your Protected Territory in order to continue servicing that area upon written notice to you.

The rights we have granted to you under the Franchise Agreement are dependent on your achieving the following minimum performance requirements per Protected Territory regarding the Gross Revenue

collected from customers located within each Protected Territory during each reporting year following your Opening Date (referred to as the “Minimum Performance Requirement Per Protected Territory”):

<b>Time Period</b>	<b>Annual Gross Revenue Minimum Performance Requirement Per Protected Territory</b>
Third Calendar Year	\$100,000
Fourth Calendar Year	\$150,000
Fifth Calendar Year and Subsequent Calendar Years	\$200,000

There is no Minimum Performance Requirement Per Protected Territory for the calendar year of your Opening Date (first calendar year) or the calendar year following the Opening Date (second calendar year). Your “Opening Date” is the earlier of: (a) the date you begin operations of your Franchised Business; or (b) 90 days following the Effective Date of the Franchise Agreement. If you fail to meet the Minimum Performance Requirement Per Protected Territory in any subsequent reporting year, we have the right, but are not required, to: (i) reduce the size of the Protected Territory; (ii) require you or your Operating Manager to attend training at your cost and expense; or (iii) terminate the Franchise Agreement.

You may relocate your Franchised Business only with our written consent, which we will not unreasonably withhold. If we permit you to relocate your Franchised Business, you will need to build out the Franchised Business consistent with our then-current standards for new Franchised Businesses.

You have no right of first refusal or similar rights to acquire additional franchises.

Neither we nor any affiliate operates, franchises, or has any current plans to operate or franchise any business selling the products and services authorized for sale at DDH Franchised Businesses under any other trademark or service mark.

### **ITEM 13**

#### **TRADEMARKS**

We grant you the right to operate your Franchised Business under the service mark DDH as well as other trademarks, service marks, trade names, domain names, logos and other commercial symbols we may use and register in the future for the System (collectively, the “Marks”).

The following schedule lists only the principal Marks that you are licensed to use under the Franchise Agreement. We have filed all required affidavits and renewals for the Marks listed below.

<b>Trademarks</b>	<b>Application Date</b>	<b>Serial Number</b>	<b>Principal / Supplemental Register</b>
<b>DDH</b>	March 17, 2025	App. No.: 99088005	Principal
<b>DOCTORS OF DOMESTIC HARMONY</b>	March 17, 2025	App. No.: 99088009	Principal

DDH IP does not yet have a federal registration for the principal Marks. Therefore, the Marks do not have as many legal benefits and rights as a federally registered trademark. If our or our affiliate’s right to use the Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

DDH IP owns the Marks and has licensed us the right to use the Marks and to sublicense the use of the Marks to operate Franchised Businesses under a trademark license agreement dated March 2025 (the "License Agreement"). The License Agreement has an initial 10-year term, which will renew automatically unless one of the parties elects not to renew the License Agreement. DDH IP or we may terminate the License Agreement if the other party fails or refuses to perform any duty under the License Agreement. In addition, DDH IP may terminate the License Agreement if our misuse of the Marks materially impairs the goodwill associated with the Marks or if we do not comply with DDH IP's instructions concerning the quality of the Marks. If the License Agreement is terminated, any then-existing sublicenses (franchises) will continue for the term of the sublicenses provided that the franchisees comply with all other terms of their Franchise Agreements. The License Agreement contains no other material limitations.

We have the right to periodically change the list of Marks. Your use of the Marks and any goodwill is to our and our affiliates' exclusive benefit, and you retain no rights in the Marks. You also retain no rights in the Marks when the Franchise Agreement expires or terminates. You are not permitted to make any changes or substitutions respecting the Marks unless we direct so in writing. You may not use any Marks or portion of any Marks as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any other unauthorized manner. We retain the sole right to advertise the System on the Internet and to create, operate, maintain, and modify, or discontinue the use of, a website using the Marks. You have the right to access our website. Except as we may authorize in writing, however, you will not: (1) link or frame our website; (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication); (3) create or register any Internet domain name in any connection with your Franchised Business; and (4) use any e-mail address which we have not authorized for use in operating the Franchised Business. You will not register, as Internet domain names, any of the Marks or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar. Further, you may not market, advertise or promote your Franchised Business or conduct any business on the Internet, including using social and professional networking sites to promote your Franchised Business, except as provided in our written social media policy (if any) or with our prior written approval. We will set up, own, and have administrative rights to any social and professional networking sites that you use in your Franchised Business.

There are currently no effective material determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks that are relevant to your use in any state. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise.

You must immediately notify us of any apparent infringement of or challenge to your use of any Marks, and we have sole discretion to take any action we deem appropriate. We are unaware of any infringing uses or superior rights that could materially affect your use of the Marks.

We reserve the right to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such an event, you will, at your expense, comply with such modification or substitution within a reasonable time after we notify you.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation relating to the Marks and we will have the sole right to decide to pursue or settle any infringement actions relating to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement

action requires changes or substitutions to the Marks, you will make these changes or substitutions at your own expense.

#### **ITEM 14**

##### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents, pending patent applications or copyrights currently registered that are material to the franchise. We do claim copyright ownership and protection for the Manuals and for certain other written materials we provide to assist you in operating your Franchised Business.

We own certain proprietary or confidential information relating to the operation of Franchised Businesses, including information in the Manuals (“Confidential Information”). You will not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Franchised Business. Your use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. The Confidential Information is proprietary, is our trade secret, and is disclosed to you solely on the condition that you agree that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement; (3) will not make unauthorized copies of any Confidential Information disclosed in written form; (4) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Franchised Business employees; and (5) will require all Operating Managers and other employees with access to Confidential Information to sign such an agreement in a form we approve. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. You must comply with all changes to the Manuals at your cost. We may access Customer Data produced by or otherwise located on your Computer System. We periodically will establish policies respecting the use of the Customer Data.

#### **ITEM 15**

##### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

The Franchised Business must at all times be under the direct supervision of a Principal Owner who we have approved and who has satisfactorily completed our initial training program. If there is more than one Principal Owner, the Principal Owners must designate (in writing) one Principal Owner who will oversee the Franchised Business operations and represent you in interacting with us (the “Designated Owner”).

You (or your Principal Owner if you are an entity) may elect not to supervise your Franchised Business on a full-time basis; provided that you appoint an Operating Manager, who we approve, who is responsible for the day-to-day operation of the Franchised Business. The Designated Owner and Operating Manager may be the same person. If the Designated Owner and Operating Manager are not the same person, then the Operating Manager must also satisfactorily complete our initial training program. The Designated Owner still must oversee the Franchised Business but is not required to be involved in the day-to-day operation of the Franchised Business. If the franchisee is an entity, the Operating Manager is not required to be an owner or have an equity interest in you.

The Operating Manager assumes his/her responsibilities on a full-time basis and may not engage in any other business or other activity that requires any significant management responsibility, time commitments, or otherwise may conflict with his/her obligations. Unless you receive our prior written consent, the franchisee entity (or you if you sign the Franchise Agreement as an individual) may not engage in any business or activities other than the ownership and operation of Franchised Businesses under Franchise Agreements that we grant.

Each individual who owns a 10% or greater interest in the franchisee entity is considered a “Principal Owner” and, the Principal Owner, and their spouse, must sign the Guaranty and Assumption of Obligations Agreement attached as Exhibit C to the Franchise Agreement. These people agree to discharge all obligations of the franchisee entity to us under the Franchise Agreement and are bound by all of its provisions, including maintaining the confidentiality of Confidential Information described in Item 14 and complying with the non-compete covenants described in Item 17. In addition, all Operating Managers, and other employees with access to Confidential Information, must sign a written agreement to maintain the confidentiality of our Confidential Information described in Item 14.

## ITEM 16

### RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell in your Franchised Business all and only those products and services that we have approved. We may add new products or services that you must offer at your Franchised Business, and you must begin offering that new product or service within 30 days after we launch it. Our right to modify the approved list of goods and services to be offered at a Franchised Business is not limited. You will immediately cease selling products, and offering or performing services, we no longer approve, and you agree to begin offering new or modified products and services within the time period(s) we describe in the Manuals.

## 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 or Other Agreement	Summary
a.	Length of the franchise term	Section 3(A)	10 years
b.	Renewal or extension of the term	Section 3(B)	2 additional terms of 5 years
c.	Requirements for you to renew or extend	Section 3(B)	Advance notice, compliance with Franchise Agreement and brand standards, Principal Owner satisfactorily completes refresher training, sign then-current form of franchise agreement (which may have materially different terms and conditions as the Franchise Agreement), pay fee, sign general release, upgrade/modernize the Franchised Business.

Provision		Section in Franchise or Other Agreement	Summary
d.	Termination by you	Section 17	If you comply with the Franchise Agreement, and we fail to cure a material provision within 90 days after written notice (subject to state law).
e.	Termination by us without cause	<i>Not Applicable</i>	<i>Not Applicable</i>
f.	Termination by us with cause	Sections 16	Only if you default.
g.	“Cause” defined – curable defaults	Sections 16(A) and (B)	You have 30 days to cure if you fail to: open the Franchised Business when required, complete training, comply with System standards, comply with the Minimum Performance Requirement Per Protected Territory, timely pay any fees or liabilities, keep accurate financial statements, or if you violate any material provision of the Franchise Agreement. You have 10 days to cure any monetary default.
h.	“Cause” defined – non-curable defaults	Sections 16(A) and (B)	Failure on 3 or more occasions in any 12 months to comply with any provision, default which is not curable, repeatedly deceive Franchised Business customers, material misrepresentation or omission on franchise application, conviction of or proof that you have committed a felony or other crime which harms the Franchised Business’s reputation, bankruptcy, insolvency, an assignment of assets to creditors, Franchised Business abandonment (including failure to respond to us during normal business hours for 7 consecutive days, failure to spend \$2,250 on local marketing in a month per Protected Territory, or failure to collect at least \$10,000 in Gross Revenue from customers in a month without written notice and approval), defaults which injure the goodwill associated with the Marks, use of unapproved website or other unauthorized conduct on the Internet, unauthorized assignment of agreement or interest in Franchised Business, intentionally falsify any information provided to us, eviction or loss of lease of Franchised Business, and disclosure of Confidential Information to third-party.
i.	Your obligations on termination/nonrenewal	Section 18	Pay all amounts due us, pay us a non-refundable fee equal to 3% of your total Gross Revenue in the last 24 months to cover potential customer complaints related to work you performed; stop using and return the Manuals and other materials, assign to us the Franchised Business telephone number and telephone listing or (at our option) disconnect the telephone number, cease using and assign to us all email addresses and social media accounts, remove all signs and other materials containing any Marks, cease using our proprietary software, cancel all fictitious or assumed name filings, and cease using and return to us all Confidential Information and Customer Data, agree not to divert Franchised Business customers to any competing business for 2 years and redecorate the Franchised Business premises (also see o, r below).

Provision		Section in Franchise or Other Agreement	Summary
j.	Assignment of contract by us	Section 15(A)	Assignee must fulfill our obligations under the Franchise Agreement.
k.	“Transfer” by you-defined	Section 15(C)	Includes transfer of Franchised Business or its assets, or your interest in the Franchise Agreement or an ownership interest of 10% or more change.
l.	Our approval of transfer by franchisee	Section 15(B), (C) and (D)	We have the right to approve all transfers of the Franchise Agreement but will not unreasonably withhold approval.
m.	Conditions for our approval of transfer	Section 15(C)	All amounts owed us, our affiliates and vendors are paid, transferee meets our qualifications for a new franchise, transferee signs our then-current franchise agreement, transferee completes required training, lease assigned (if applicable), pay transfer fee, you sign a non-compete agreement and general release, we approve material provisions of the purchase agreement between you and transferee.
n.	Our right of first refusal to acquire your business	Section 15(F)	We can match any offer for your business.
o.	Our option to purchase your business	Section 18(B)	When the Franchise Agreement expires or terminates, we may purchase assets at book value.
p.	Your death or disability	Section 15(D)	Franchise must be assigned by estate to an approved buyer within reasonable time not exceeding 12 months.
q.	Non-competition covenants during the term of the franchise	Section 14(B)	Neither you nor your affiliates may offer any professional organizing services, and other services, including estate clean-out management, move and relocation management, and home sale preparation, including decluttering, organizing, and styling spaces, and related products and services or products that is competitive with or similar to a DDH business.
r.	Non-competition covenants after the franchise is terminated or expires	Section 14(C)	No involvement in any construction or commercial business that is competitive with a DDH business for two years within your Protected Territory; from the Franchised Business premises; within 10 miles from the outside boundary of your Protected Territory; or within the protected territory of another DDH franchisee.
s.	Modification of the agreement	20(D)	No modifications to the Franchise Agreement, except in writing. We may modify Manuals, Marks, System and goods/services to be offered to your Franchised Business.
t.	Integration/merger clause	Section 20(J) and 20(K)	Only the terms of the Franchise Agreement, Exhibits A, B and C of the Franchise Agreement, the Disclosure Acknowledgement Agreement, and the applicable state-specific addendum (if any) are binding (subject to state law). Any other promises may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

Provision		Section in Franchise or Other Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Section 19(A) and (B)	Except for actions we bring for monies owed, injunctive relief, or actions involving real estate, all disputes first will be subject to non-binding mediation in the county where our headquarters is located, then (if not resolved) to binding arbitration in the county where our headquarters is located (subject to applicable law).
v.	Choice of forum	Section 19(A)	Litigation (to the extent permitted) must be brought in a federal or state court located in Montclair, New Jersey (subject to state law).
w.	Choice of law	Section 19(A)	The laws of the state of New Jersey apply (subject to state law).

## 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.

Our affiliate, Done and Done NYC, opened one DDH business in October 2014 that operates in the New York City metropolitan area with approximately 200,000 single family households with over \$100,000 of income. The tables below present data we obtained from Done and Done NYC respecting the historic Gross Revenue and other information for the company-owned territory for the twelve-month period ending December 31, 2025. Please carefully read all the information in this Item 19, and all the notes following the charts, in conjunction with your review of the historical data.

**Table 1**  
**Results of Our Reporting Company-Owned Outlet**  
**During the 12 Month Period Ending December 31, 2025**

The following table includes the historic Gross Revenue and certain expenses during the 12-month period ending December 31, 2025 based on data collected respecting Done and Done NYC.

		<b>Amount</b>	<b>Percentage of Gross Revenues</b>
<b>Gross Revenue</b>		<b>\$1,356,401</b>	<b>100.00%</b>
<u>Less</u>	<u>Cost of Services Provided:</u>		
	Direct Labor	\$410,325	30.3%
	Cost of Goods Sold	\$228,189	16.8%
	Total Cost of Services Provided	\$638,514	47.1%
<b>Gross Profit</b>		<b>\$717,887</b>	<b>52.9%</b>
<u>Less</u>			
<u>Disclosed Expenses:</u>			
	Managerial Salaries	\$79,881	5.9%
	Advertising and Marketing	\$54,791	4.0%
	Merchant Processing Fees	\$44,249	3.3%
	Occupancy Expense	\$24,780	1.8%
	Legal and Professional Fees	\$16,167	1.2%
	Insurance Expense	\$13,967	1.0%
	Software Expense	\$12,914	1.0%
	Utilities Expense	\$4,817	0.4%
	Office Expense	\$1,554	0.1%
	All Other Expenses	\$16,391	1.2%
<b>Total Disclosed Expenses</b>		<b>\$269,511</b>	<b>19.9%</b>
	<b>Gross Profit Less Disclosed Expenses</b>	<b>\$448,376</b>	<b>33.1%</b>
Less: adjustments for other recurring franchisee related expenses that will be incurred by you but that were not incurred by our Reporting Company Owned Outlet.			
	Royalty	\$82,820	6.1%
	Brand Fund	\$13,564	1.0%
	Local Advertising	\$30,209	2.2%
	Technology Fee	\$3,000	0.2%
	Sales Support	\$33,910	2.5%
	Back Office	\$6,000	0.4%
<b>Total Adjustments</b>		<b>\$169,503</b>	<b>12.5%</b>
	<b>Gross Profit Less Disclosed Expenses and Franchisee Related Expenses</b>	<b>\$278,873</b>	<b>20.6%</b>

Notes to Table 1:

- (1) “Gross Revenue” means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or otherwise, made, or provided at or in connection with the Franchised Business. “Gross Revenue” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes that you pay or accrue. For the purposes of the Franchise Agreement, a sale occurs at the time the customer pays for the services.
- (2) “Cost of Goods Sold” means the Done and Done NYC’s product costs, including the cost of the organizational products and supplies, including bins, baskets, packing supplies, label makers and vendor-provided services.
- (3) “Direct Labor” includes wages (including overtime), sales incentive wages, and payroll taxes for all Done and Done NY employees. Wages do not include any salaries for managers, 401K contributions, group health insurance, paid time off, or commissions. Franchisees may experience similar wage expenses but will be impacted by staffing model decisions (which franchisees alone must decide), market driven pay rate differences and individual business staff performance.
- (4) “Gross Profit” is the Gross Revenue less the Cost of Goods Sold and Direct Labor.
- (5) “Managerial Salaries” includes wages for one business manager. The Managerial Salaries do not include 401K contributions, group health insurance, paid time off, or commissions. If you operate the Franchised Business without hiring a business manager, you will not have this expense.
- (6) “Office Expenses” include office supplies (including supplies used for client projects, such as garbage bags and tape), and shipping and delivery expenses.
- (7) “Merchant Processing Fees” includes those fees charged by credit card processors.
- (8) “Occupancy Expense” includes rent and CAM for Done and Done NYC’s office. If you operate the Franchised Business from a home office, you will not have this expense.
- (9) “Advertising and Marketing” includes Google ads, events, social media ads, social media management, and social media services including chat, lead pages, and MailChimp.
- (10) “Insurance Expenses” includes automobile insurance, business insurance including property, casualty and general liability.
- (11) “Legal and Professional Fees” include legal and accounting fees.
- (12) “Utilities Expense” includes phone and internet.
- (13) “All Other Expenses” includes bank charges, cleaning fees, taxes, dues and subscriptions, educational expenses, filing fees, referral fees, repair and maintenance, and licenses.
- (14) “Adjustments” are those fees that Done and Done NYC did not incur but that franchisees would incur, including Royalty Fees.

**Table 2**  
**Average Gross Revenue by Client of Our Company-Owned Outlet**  
**During the 12 Month Period Ending December 31, 2025**

<b>Table 2a</b>		
<b>Average Gross Revenue by All Client</b>		
<b>Measurement Period 2025</b>		
<b>Gross Revenue</b>	<b>Client Count</b>	<b>Average Gross Revenue</b>
\$1,356,401	179	\$7,577.66
Highest Sale		\$105,706
Lowest Sale		\$400
Median Sale		\$5,522
<b>Client Sales Above Average</b>		<b>59 (33%)</b>

<b>Table 2b</b>		
<b>Average Gross Revenue by Repeat Client</b>		
<b>Measurement Period 2025</b>		
<b>Gross Revenue</b>	<b>Client Count</b>	<b>Average Gross Revenue</b>
\$636,528	71	\$8,965.18
Highest Sale		\$31,816
Lowest Sale		\$740
Median Sale		\$5,382
<b>Client Sales Above Average</b>		<b>37 (52%)</b>

<b>Table 2c</b>		
<b>Average Gross Revenue by First Time Client</b>		
<b>Measurement Period 2025</b>		
<b>Gross Revenue</b>	<b>Client Count</b>	<b>Average Gross Revenues</b>
\$719,873	108	\$6,665.49
Highest Sale		\$105,706
Lowest Sale		\$400
Median Sale		\$5,913
<b>Client Sales Above Average</b>		<b>36 (33%)</b>

<b>Table 3</b> <b>Gross Revenue by Client Type</b> <b>Measurement Period 2025</b>		
<b>Client Type</b>	<b>Gross Revenue</b>	<b>% of Sales</b>
Repeat Client	\$617,391	45.52%
First Time Client	\$739,010	54.48%
<b>Total</b>	<b>\$1,356,401</b>	<b>100.00%</b>

<b>Table 4</b> <b>Gross Revenue by Category</b> <b>Measurement Period 2025</b>		
<b>Revenue Category</b>	<b>Gross Revenue</b>	<b>% of Sales</b>
Full Move Management	\$599,839	44.22%
Decluttering/Organizing	\$417,535	30.78%
Estate	\$125,325	9.24%
Organizing	\$82,179	6.06%
Unpack Only	\$81,073	5.98%
Getting Ready For The Market	\$50,450	3.72%
<b>Total</b>	<b>\$1,356,401</b>	<b>100.00%</b>

<b>Table 5</b> <b>Gross Revenue by Full Time Employee (FTE)</b>		
<b>Gross Revenue</b>	<b>FTE</b>	<b>Gross Revenue per FTE</b>
\$1,356,401	2.63	\$515,742

<b>Table 6</b> <b>Direct Labor Cost Per Full Time Employee (FTE)</b>		
<b>Direct Labor</b>	<b>FTE</b>	<b>Direct Labor Cost per FTE</b>
\$410,325	2.63	\$156,017

Note to Tables 2 through 6

- (1) FTEs only include home organizers, and do not include managers or other office staff. We determined “2.63” FTEs by dividing the total hours worked by all employees (both full-time and part-time) by the number of hours considered a full-time workweek (typically 40 hours).

The data presented in Item 19 is based on the information reported to us by our affiliate.

There are no material financial and operational characteristics of the company-owned territory that are reasonably anticipated to differ materially from future operational franchise outlets.

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you in our main office upon reasonable request.

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee’s future financial performance, or the past financial performance of company owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Kate Pawlowski at DDH Franchising, LLC, 543 Valley Road, Suite 7, Montclair, NJ 07042, 332-230-4919, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**

**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NUMBER 1**  
**Systemwide Outlet<sup>(1)</sup> Summary**  
**For Years 2023 to 2025**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets<sup>(1)</sup> at the Start of the Year</b>	<b>Outlets<sup>(1)</sup> at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
<b>Company-Owned<sup>(2)</sup></b>	2023	1	1	0
	2024	1	1	0
	2025	1	1	1
<b>Total Outlets<sup>(1)</sup></b>	2023	1	1	0
	2024	1	1	0
	2025	1	1	0

**TABLE NUMBER 2**  
**Transfers of Franchised Outlets<sup>(1)</sup> From Franchisee to New Owners (Other than the Franchisor)**  
**For Years 2023 to 2025**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>TOTAL</b>	2023	0
	2024	0
	2025	0

**TABLE NUMBER 3**  
**Status of Franchised Outlets<sup>(1)</sup>**  
**For Years 2023 to 2025**

State	Year	Franchised Outlets <sup>(1)</sup> at the Start of the Year	Franchised Outlets <sup>(1)</sup> Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Franchised Outlets <sup>(1)</sup> at the End of the Year
<b>TOTAL</b>	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

**TABLE NUMBER 4**  
**Status of Company-Owned<sup>(2)</sup> Outlets<sup>(1)</sup>**  
**For Years 2023 to 2025**

State	Year	Outlets <sup>(1)</sup> at the Start of the Year	Outlets <sup>(1)</sup> Opened	Outlets <sup>(1)</sup> Reacquired From Franchisees	Outlets <sup>(1)</sup> Closed	Outlets <sup>(1)</sup> Sold to Franchisees	Outlets <sup>(1)</sup> at the End of the Year
<b>New York</b>	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
<b>TOTAL</b>	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

**TABLE NUMBER 5**  
**Projected Openings**  
**As of December 31, 2025**

State	Franchise Agreements Signed But Franchised Outlets <sup>(1)</sup> Not Opened	Projected New Franchised Outlets <sup>(1)</sup> in the Next Fiscal Year	Projected New Company-Owned <sup>(2)</sup> Outlets <sup>(1)</sup> in the Next Fiscal Year
<b>Connecticut</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>New York</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>Virginia</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>5</b>	<b>0</b>

Notes to Tables 1, 2, 3, 4, and 5:

1. In Item 20, “Outlet” means the individual territories as described in Item 12 that are operated pursuant to a DDH franchise agreement.

2. “Company-Owned” includes any locations owned and operated by us and any affiliates listed in Item 1 above.

The names, addresses and telephone numbers of our current franchisees are included in Attachment C. The names, addresses and telephone numbers of the franchisees that have had a franchise terminated, canceled, not renewed, otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement, or has not communicated with us within 10 weeks of the issuance date of this disclosure document are also included in Attachment C. If you buy a DDH franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some of our franchisees have signed confidentiality agreements during the past 3 years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the DDH 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.

We are not aware of any trademark-specific franchisee associations.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Attached as Attachment A are our audited financial statements as of December 31, 2025. Our fiscal year end is December 31. We have not been in business for three years or more and cannot include all financial statements required under the FTC Rule.

## **ITEM 22**

### **CONTRACTS**

The following contracts are included in the following Attachments:

<b>Attachment</b>	<b>Contract</b>
Attachment B	Franchise Agreement (including exhibits)
Attachment E	State Addenda
Attachment F	Form General Release
Attachment H	Disclosure Acknowledgment Agreement

## **ITEM 23**

### **RECEIPTS**

Two copies of an acknowledgment of your receipt of this disclosure document are attached as Attachment K at the end of this disclosure document. You will keep one copy of the receipt for your files, and you will return the second copy to us.

**ATTACHMENT A**  
**TO DDH FDD**  
**FINANCIAL STATEMENTS**

**DDH Franchising, LLC**  
**Independent Auditor's Report**  
**And**  
**Financial Statements**  
**Period From March 06, 2025 (Inception) to December 31, 2025**

**Table of Contents**

<b>Independent Auditor's Report .....</b>	<b>3</b>
<b>Balance Sheet .....</b>	<b>5</b>
<b>Statement of Operations .....</b>	<b>6</b>
<b>Statement of Members' Equity.....</b>	<b>7</b>
<b>Statement of Cash Flows.....</b>	<b>8</b>
<b>Notes to Financial Statements.....</b>	<b>9</b>

## **Metwally CPA PLLC**

### **CERTIFIED PUBLIC ACCOUNTANT**

2901 Corporate Cir, Flower Mound, Texas 75028

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

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### **Independent Auditor's Report**

To the Members of  
DDH Franchising, LLC

#### **Opinion**

We have audited the accompanying financial statements of DDH Franchising, LLC (the Company), which comprise the balance sheet as of December 31, 2025 and the related statement of operations, members' equity, and cash flows for the period from March 06, 2025 to December 31, 2025 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 the Company as of December 31, 2025, and the results of its operations and its cash flows for the period from March 06, 2025 to December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

As discussed in note 4 to the financial statements, the Company has extensive transactions and relationships with its affiliates. Accordingly, the accompanying financial statements may not be indicative of the results of operations that would have been achieved if the Company had operated without such affiliations. Our opinion is not modified with respect to the matter.

#### **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 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.

*Metwally CPA PLLC*

Metwally CPA PLLC  
Flower Mound  
February 12, 2026

**DDH Franchising, LLC**  
**Balance Sheet**  
**December 31, 2025**

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	<u>2025</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 250,606
<b>Total Current Assets</b>	<u>250,606</u>
<b>Total Assets</b>	<u>\$ 250,606</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	\$ 2,019
Due to related parties	142,333
<b>Total Current Liabilities</b>	<u>144,352</u>
<b>Total Liabilities</b>	<u>144,352</u>
<b>Members' Equity</b>	
Members' equity	106,254
<b>Total Members' Equity</b>	<u>106,254</u>
<b>Total Liabilities and Members' Equity</b>	<u>\$ 250,606</u>

*The accompanying notes are an integral part of the financial statements.*

**DDH Franchising, LLC**  
**Statement of Operations**  
**Period From March 06, 2025 to December 31, 2025**

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	<u>2025</u>
<b>Revenues</b>	
<b>Total Revenues</b>	<u>\$ -</u>
<b>Operating Expenses</b>	
Legal and professional	53,958
Marketing and advertising	4,985
General and administrative	1,470
<b>Total Operating Expenses</b>	<u>60,413</u>
<b>Net Income / (Loss)</b>	<u>\$ (60,413)</u>

*The accompanying notes are an integral part of the financial statements.*

**DDH Franchising, LLC**  
**Statement of Members' Equity**  
**Period From March 06, 2025 to December 31, 2025**

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<b>Members' Equity At March 06, 2025</b>	<u>\$ -</u>
Net income / (loss)	(60,413)
Members' contributions	<u>166,667</u>
<b>Members' Equity At December 31, 2025</b>	<u><b>\$ 106,254</b></u>

*The accompanying notes are an integral part of the financial statements.*

**DDH Franchising, LLC**  
**Statement of Cash Flows**  
**Period From March 06, 2025 to December 31, 2025**

---

	<b>2025</b>
<b>Cash Flows From Operating Activities</b>	
Net income / (loss)	\$ (60,413)
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>	
<b>Change in assets and liabilities</b>	
Due to related parties	142,333
Accounts payable and accrued liabilities	2,019
<b>Net Cash Flows Provided By (Used In) Operating Activities</b>	<b>83,939</b>
 <b>Cash Flows From Investing Activities</b>	
<b>Net Cash Flows Provided By (Used In) Investing Activities</b>	<b>-</b>
 <b>Cash Flows From Financing Activities</b>	
Members' contributions	166,667
<b>Net Cash Flows Provided By (Used In) Financing Activities</b>	<b>166,667</b>
<b>Net Change In Cash And Cash Equivalent During The Period</b>	<b>250,606</b>
Cash and cash equivalents - beginning of the period	-
<b>Cash And Cash Equivalent - End of The Period</b>	<b>\$ 250,606</b>

*The accompanying notes are an integral part of the financial statements.*

**DDH Franchising, LLC**  
**Notes to Financial Statements**  
**December 31, 2025**

**1. COMPANY AND DESCRIPTION OF BUSINESS**

DDH Franchising, LLC (the Company) was established in the state of New Jersey on March 06, 2025 for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their business as a franchise. The Company provides the qualified individual the right to operate a home organizing and moving management business. The Company offers individual unit franchises and area development franchises for the development of multiple units within a designated territory.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

**A. Basis of Accounting**

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

**B. Cash and Cash Equivalents**

For purposes of the Statement of cash flows, cash equivalents include bank accounts and cash in transit for bank deposits with maturities of three months or less to be cash equivalents.

**C. Federal Income Taxes**

As a limited liability company, the Company's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements.

**D. Concentration of Credit Risk**

The Company maintains cash and cash equivalents with major financial institutions. At various times during the period, the total amount on deposit might exceed the \$250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

**E. Use of Estimates**

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

## F. Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Company adopted ASU 2021-02 Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09 Revenue from contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

### Franchise Fees

The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) Marketing, brand development and royalties Fees and (c) IT Fees; (d) Annual Conference Fees. The Company utilize ASC 606 five-steps revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay monthly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources: The Company recognizes franchise fees as two (2) performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period of time using an input method of completion based on costs incurred for each franchisee at the end of each year.

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years.

### Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the brand level advertising, marketing, and development program. The fee is based on a percentage of the gross sales less any amount paid towards sales tax, payable weekly.

### Gross Sales Rebates

The Company receives vendor rebates primarily from bank products sales and Tax Software. These rebates are generally covered by binding agreements, which are signed agreements between various vendors and the Company. Under ASC 606, the Company's performance obligation for vendor rebates is satisfied upon the sale or usage of a vendor's product through the Company's franchisees. As such, revenue is recorded upon receipt of franchisee sales information from the vendor.

### Contracts Assets and Liabilities Balances

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized to expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

The Company didn't generate any revenue as of the balance sheet date but will be implementing ASC 606 to recognize its revenue once a sale has been made.

## **G. Advertising and Marketing**

Advertising and marketing costs are charged to operations in the period incurred.

## **H. Recent Accounting Pronouncements**

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurements of Credit Losses on Financial Instruments. ASU 2016-13, along with subsequent clarifications and improvements (collectively, ASC 326), replaces the incurred loss impairment methodology in prior U.S. GAAP with a methodology that instead reflects a current estimate of all expected credit losses on financial assets, including receivables. ASC 326 requires that the Company measure and recognize expected credit losses at the time the asset is recorded, while considering a broader range of information to estimate credit losses including country specific macroeconomic conditions that correlate with historical loss experience, delinquency trends, and aging behavior of receivables, among others. ASC 326 has been effective for the Company since inception. There was no impact on the Company's financial statements as a result of the implementation of this standard.

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements and determined that it doesn't have any lease that meet the requirement to recognize a right-of-use asset and liability because the Company doesn't have any long-term leases.

### **3. CASH AND CASH EQUIVALENTS**

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On December 31, 2025, the Company's cash balance exceeded the FDIC insurance limit by \$606 in one bank account only.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2025, the Company had approximately \$250,606 in cash in its bank account.

The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

### **4. RELATED PARTY TRANSACTIONS**

As of December 31, 2025, the Company has an outstanding balance of \$142,333 due to related party balance for Done & Done Home LLC. This amount represents funds advanced on behalf of the Company to support operating costs.

### **5. ADVERTISING AND MARKETING**

Advertising and marketing costs for the period from March 06, 2025 to December 31, 2025 was \$4,985. This cost was expensed as incurred.

### **6. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 12, 2026, which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

**ATTACHMENT B**  
**TO DDH FDD**  
**FRANCHISE AGREEMENT AND EXHIBITS**



## **FRANCHISE AGREEMENT**

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FRANCHISEE

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DATE OF AGREEMENT

**TABLE OF CONTENTS**

<b><u>Section</u></b>	<b><u>Description</u></b>	<b><u>Page</u></b>
1.	DEFINITIONS .....	1
2.	GRANT OF FRANCHISE .....	2
3.	TERM OF FRANCHISE; RENEWAL RIGHTS .....	4
4.	FRANCHISE FEES.....	5
5.	DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS .....	7
6.	TRAINING AND OPERATING ASSISTANCE .....	8
7.	MARKS .....	10
8.	CONFIDENTIAL INFORMATION/IMPROVEMENTS .....	11
9.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION .....	12
10.	FRANCHISED BUSINESS IMAGE AND OPERATING STANDARDS .....	13
11.	SALES SUPPORT AND MARKETING .....	16
12.	RECORDS AND REPORTS .....	17
13.	INSPECTION AND AUDITS.....	18
14.	COVENANTS .....	18
15.	ASSIGNMENT .....	19
16.	FRANCHISOR’S TERMINATION RIGHTS .....	22
17.	FRANCHISEE’S TERMINATION RIGHTS .....	23
18.	FRANCHISEE OBLIGATIONS UPON TERMINATION .....	23
19.	DISPUTE RESOLUTION.....	25
20.	ENFORCEMENT.....	26
21.	NOTICES .....	28
22.	ACKNOWLEDGEMENTS .....	28

**EXHIBITS**

- A – FRANCHISED BUSINESS LOCATION AND PROTECTED TERRITORY
- B – ELECTRONIC TRANSFER OF FUNDS FORM
- C – GUARANTY AND ASSUMPTION OF OBLIGATIONS AGREEMENT
- D – STATE-SPECIFIC FRANCHISE AGREEMENT ADDENDA

## DDH FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between DDH Franchising, LLC, a Delaware limited liability company, with a principal place of business at 543 Valley Road, Suite 7, Montclair, NJ 07042 (“Company,” “we” or “us”), and \_\_\_\_\_, a(n) \_\_\_\_\_, (“you” or “Franchisee”). If more than one individual is named as “you” or “Franchisee,” the obligations imposed upon each shall be joint and several.

### INTRODUCTION

A. We have developed a unique system for the development and operation of a business that offers professional organizing services, and other services, including estate clean-out management, move and relocation management, and home sale preparation, including decluttering, organizing, and styling spaces, and related products and services under the DDH Marks (defined in Section 1(F) below) and System (defined in Section 1(J) below).

B. We grant qualified persons the right to develop, own and operate a franchised DDH business using the System at a specific location.

C. You desire to obtain the right to develop and operate a franchised DDH business using the System at a specific location.

D. We have agreed to grant to you the right to develop and operate a franchised DDH business subject to the terms and conditions of this Agreement.

### AGREEMENTS

In consideration of the mutual covenants and agreements stated below, the parties agree as follows:

#### 1. DEFINITIONS

A. “Confidential Information” means the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, systems, software, and knowledge of and experience in operating and franchising DDH businesses that we communicate to you or that you otherwise acquire in operating the Franchised Business under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.

B. “Designated Account” means those customers or accounts we designate, in our sole and absolute discretion, as desiring central billing accounts, or that have at least ten (10) locations, and such locations are located in more than one franchised or company-owned territory or market.

C. “Designated Owner” means the Principal Owner we approved who will oversee the Franchised Business operations and represent you in interacting with us. The Designated Owner must successfully complete our initial training program and all mandatory follow-up training programs. The Designated Owner is listed on Exhibit A. The Designated Owner and Operating Manager may be the same person.

D. “Franchised Business” means the franchised DDH business you develop and operate under this Agreement which offers professional organizing services, and other services, including estate clean-out management, move and relocation management, and home sale preparation, including decluttering, organizing, and styling spaces, and related products and services and related services we designate and require.

E. “Gross Revenue” means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or otherwise, made or provided at or in connection with the Franchised Business. “Gross Revenue” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes that you pay or accrue. For the purposes of this Agreement, a sale occurs at the date payment is received for the goods or services.

F. “Marks” means the DDH trademarks and service marks, and other trademarks, service marks, domain names, logos and commercial symbols that we have designated, or may in the future designate, for use in the System.

G. “Operating Manager” means the designated individual responsible for the day-to-day operation of the Franchised Business. We must approve the Operating Manager and the Operating Manager must successfully complete our initial training program and all mandatory follow-up training programs. The Designated Owner and Operating Manager may be the same person. The Operating Manager does not need to be a Principal Owner.

H. “Principal Owner” means any person or entity who directly or indirectly owns a 10% or greater interest in you. If any Principal Owner is a corporation, limited liability company, trust, or other entity (other than a partnership), the Principal Owner will include any individual person that is a direct or indirect shareholder or owner that owns or holds 10% or more ownership interest in such entity Principal Owner. If any Principal Owner is a partnership, a Principal Owner will include each general partner of such partnership and, if such general partner is an entity, any individual person that is a direct or indirect person that owns or holds 10% or more ownership interest in such general partner.

I. “Protected Territory” means one or more protected territories identified in Exhibit A.

J. “System” means the DDH system which includes providing professional organizing services, and other services, including estate clean-out management, move and relocation management, and home sale preparation, including decluttering, organizing, and styling spaces, and related products and services, and other related services, that we may designate in the future under the Marks, using certain distinctive types of equipment (including designated residential organizing supplies and equipment and the Computer System (as defined in Section 5(C) below)), other supplies, Confidential Information, business techniques, Designated Software (as defined in Section 5(C) below), servicing techniques, methods and procedures, and sales promotion programs, as we periodically may modify and further improve.

## 2. GRANT OF FRANCHISE

A. Grant of Franchise, Franchised Business Location and Protected Territory. Subject to the provisions contained in this Agreement, we grant you a franchise (the “Franchise”) to own and operate the Franchised Business in the Protected Territory and to use the Marks in operating the Franchised Business. You may either lease a space for the Franchised Business or operate the Franchised Business from a home office provided that there is a dedicated office space within the residence. Regardless of whether you lease a space for the Franchised Business or operate the Franchised Business from a home office: (i) the Franchised Business premises must be located inside the Protected Territory, and (ii) the Franchised Business premises must meet our standards and requirements. The location of the Franchised Business and

your Protected Territory are identified in Exhibit A. If you fail to identify the site for your office for the Franchised Business, we may reduce your Protected Territory or terminate this Agreement.

B. Nature of your Protected Territory. During the Term of this Agreement (as defined in Section 3(A) below), and provided you are in compliance with this Agreement, we will not place or grant a third party the right to place another full service DDH business within the Protected Territory, except as permitted under this Agreement. The license granted to you under this Agreement is personal in nature. Unless we otherwise expressly authorize in writing, the Marks licensed to you under this Agreement: (i) may not be used at any location other than the Franchised Business, and (ii) may be used in connection with a vehicle decal we authorize. You may not sell products or services identified by the Marks at any location other than at or from the Franchised Business inside the Protected Territory without obtaining our prior written consent. You may not offer or sell any products or services we do not approve. Except as expressly stated in this Agreement, you must concentrate your advertising and marketing efforts inside your Protected Territory. You will not have the right to subfranchise or sublicense any of your rights under this Agreement. You will not use the Franchised Business for any purposes other than the operation of a franchised DDH business.

You may not, unless in connection with other DDH franchisees and with our consent, market or advertise in telephone or similar online directories that directly target areas outside of your Protected Territory or establish a mailing address for your Franchised Business or make other representations to potential customers that would lead others to believe that you have facilities or authorization to operate outside the Protected Territory.

Except as outlined below or as it relates to Designated Accounts, there are no restrictions on the customers you may service, provided all sales and services must be provided to residential and commercial customers located inside your Protected Territory. If neither we nor another franchisee operates in an area adjacent to your Protected Territory, then upon your receipt of our prior written consent, you may advertise, market and/or service customers located outside of your Protected Territory. In such instances, we reserve the right to require you in the future to cease all direct advertising and marketing efforts to those customers located outside your Protected Territory, and we reserve the right to require you to purchase the area adjacent to your Protected Territory in order to continue servicing that area upon written notice to you.

C. Rights Reserved To Us. We (for ourselves and our affiliates) retain the right:

1. to operate, or to grant other persons the right to operate, DDH businesses at locations outside the Protected Territory (except to the extent we may be restricted under a separate DDH franchise agreement to which you are a party);

2. to service customers or offer products or services, or to grant other persons the right to service customers or offer products or services, located inside or outside the Protected Territory under any trademarks except for the Marks; *provided*, that we will not authorize any person the right to provide the full offering of products and services offered at or from your Franchised Business, except as a result of a merger or acquisition as described below;

3. to sell products, equipment, and other materials under the Marks or other trademarks through dissimilar channels of distribution (i.e., other than the operation of a DDH business), including by electronic means such as the Internet and by websites we establish, or through retail locations within and outside the Protected Territory;

4. to merge with, acquire, be acquired, or become associated with any businesses of any kind under other systems and/or other marks, which businesses may convert to or operate under

the Marks or other trademarks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your Franchised Business, and which may be located anywhere inside or outside the Protected Territory;

5. to provide services to Designated Accounts as described further below; and

6. to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks.

D. Designated Accounts. In addition to the reserved rights outlined in Section 2(C) above, we or our affiliates have the right to sell and enter into agreements with Designated Accounts, both inside and outside the Protected Territory. You must participate in any regional or national accounts program (the “Designated Accounts Program”) we designate and comply with the terms of the Designated Accounts Program as described in the Manuals (as defined in Section 6(F) below) or as we otherwise describe in writing. You understand that we will establish the rules under which you will participate, and be compensated for participation, in the Designated Accounts Program and that we may terminate, modify or replace the Designated Accounts Program at any time. We have the right to service a Designated Account or grant a third party (including another DDH franchisee) the right to service a Designated Account in your Protected Territory for all of the following reasons: (i) you are in default of this Agreement; (ii) the Designated Account objects to you providing the services; (iii) you fail to timely notify us of your acceptance of the Designated Account business; or (iv) you cannot or will not service the Designated Account business for any reason.

If a Designated Account contacts you directly, you must refer the Designated Account to us within 2 business days. We will negotiate all contracts with Designated Accounts, and you will not have any right to negotiate any contract or provide services to the Designated Account without our express written consent.

E. Minimum Performance Requirement. The rights we have granted to you under this Agreement are dependent on your achieving the minimum performance requirements per protected territory(ies) identified on Exhibit A regarding the Gross Revenue collected from customers located within each of the protected territory(ies) during each reporting year following your Opening Date (referred to as the “Minimum Performance Requirement”). There is no Minimum Performance Requirement Per Protected Territory for the calendar year of your Opening Date (first calendar year) or the calendar year following the Opening Date (second calendar year). Your “Opening Date” is the earlier of: (a) the date you begin operations of your Franchised Business; or (b) 90 days following the Effective Date of the Franchise Agreement. If you fail to meet the Minimum Performance Requirement Per Protected Territory during any reporting year, we have the right, but are not required, to: (i) reduce the size of the Protected Territory; (ii) require you or your Operating Manager to attend training at your cost and expense; or (iii) terminate this Agreement.

### 3. TERM OF FRANCHISE; RENEWAL RIGHTS

A. Term. The term of this Agreement commences on the date of this Agreement (the “Effective Date”) and ends 10 years after the Effective Date (the “Term”).

B. Renewal. You will have the right to renew the Franchise for the Franchised Business for up to 2 additional terms of 5 years, provided you meet the following conditions:

1. you have given us written notice of your intention to renew at least 180 days before the end of the then-existing term of this Agreement

2. you have fully complied with all provisions of this Agreement, including the payment of all monetary obligations you owe to us or our affiliates, and have complied with our material operating and quality standards and procedures

3. your Designated Owner, and any other employees we designate completes, to our satisfaction, any new training and refresher programs as we may reasonably require. You are responsible for all travel, living and compensation costs of attendees

4. you have paid to us a fee equal to 10% of our then-current initial franchise fee for the first protected territory (“Renewal Fee”) at least 30 days before the then-existing term of this Agreement expires

5. you sign our then-current form of DDH franchise agreement; provided that you will be required to pay the Renewal Fee in lieu of the initial franchise fee stated in the then-current franchise agreement, which terms and fees may be different from those contained in this Agreement;

6. you and each Principal Owner sign a general release, in a form acceptable to us, of all claims against us and our affiliates, officers, directors, employees, and agents; and

7. you have upgraded and modernized your Franchised Business, including purchasing any new equipment, materials, and supplies we designate, to reflect our then-current requirements and standards.

#### 4. FRANCHISE FEES

A. Initial Franchise Fee. You will pay us an initial franchise fee (the “Initial Franchise Fee”) equal to the amount described on Exhibit A. The Initial Franchise Fee is payable when you sign this Agreement, is fully earned by us upon receipt, and is non-refundable.

B. Royalty Fee. During the Term of this Agreement, you must pay us a non-refundable system royalty fee (the “Royalty Fee”) equal to a percentage of weekly Gross Revenue, as follows: 7% of Gross Revenue for the first \$500,000 in Gross Revenue per calendar year; 6% of Gross Revenue for Gross Revenue greater than \$500,000 and less than \$1,000,000 per calendar year; and 5% of Gross Revenue for Gross Revenue above \$1,000,000 per calendar year. You will pay us your first Royalty Fee once you collect the first occurrence of Gross Revenue. The Royalty Fee is due and payable to us via electronic transfer on Tuesday of each week for Gross Revenue collected in the previous week. With respect to each calendar year of the Term of this Agreement, the 7% Royalty Fee will begin to again apply as of January 1. Gross Revenue will be aggregated across your contiguous Protected Territories, as applicable.

C. Brand Fund Contributions. As further described in Section 11(B) below, you will pay us a non-refundable weekly fee equal to 1% of your Gross Revenue (the “Brand Fund Contributions”). We reserve the right to increase the amount of the Brand Fund Contributions up to 2% upon 30 days written notice to you. We will deposit the Brand Fund Contributions into the DDH Brand Fund described in Section 11(B) below. The Brand Fund Contributions are due and payable at the same time and in the same manner as the Royalty Fee.

D. Technology Fee. You must pay us a non-refundable technology fee of \$250 per month (the “Technology Fee”) to offset our costs related to website maintenance, the customer relationship

management (CRM) system and other items. The Technology Fee may be used to develop, implement, and maintain certain technologies used in the Franchised Business, including website maintenance, text programs, and other technologies we determine are necessary for use in the Franchised Business. The Technology Fee is due and payable in the same manner as the Royalty Fee on the first Tuesday of each month. We may impose or change the Technology Fee upon 30 days' notice to you, and we will not increase the Technology Fee more than 25% in a 12-month period.

E. Sales Support Fee. You must pay us a non-refundable Sales Support fee equal to 2.5% of Gross Revenue per week ("Sales Support Fee") for the Sales Support services described in Section 11(A) and the Manual. The Sales Support Fee is due and payable at the same time and in the same manner as the Royalty Fee. We may modify this fee at any time upon written notice to you.

F. Accounting Fee. You must pay our designated vendor a non-refundable accounting fee ("Accounting Fee") for the accounting and tax services provided by our designated vendor, currently QMK Consulting. The Accounting Fee is due and payable in the same manner as the Royalty Fee and is due the first Tuesday of each calendar month.

G. Non-Compliance Fees. You must pay us a "Non-Compliance Fees" if you fail to comply on a timely basis with certain obligations under this Agreement or the Manuals. The Non-Compliance Fees are charged as consideration for the expenses we incur in addressing your failure to comply with the terms of this Agreement and the Manuals. All Non-Compliance Fees shall be imposed according to the schedule stated in the Manuals. The fees described in this Section 4(G) shall in no way limit our rights to put you in default or terminate this Agreement.

H. Electronic Transfer of Funds. We will require you to sign electronic transfer of funds authorizations and other documents as we periodically designate, in the form attached as Exhibit B or any other form that we may require or accept, to authorize your bank to transfer, either electronically or through some other method of payment we designate, directly to our account or an affiliate's account and to charge your account for all amounts you owe us or our affiliates. Your authorizations will permit us or our affiliates to designate the amount to be transferred from your account. You will maintain a balance in your account sufficient to allow us or our affiliates to collect the amounts owed to us or our affiliates when due. You will be responsible for any penalties, fines or similar expenses associated with the transfer of funds described herein and you must pay us an insufficient funds fee for each time we are unable to electronically withdraw funds equal to \$50 per attempt.

I. Interest. All Royalty Fees, Brand Fund Contributions (as defined in Section 11(B) below), Sales Support Fees, and other amounts which you owe to us, or our affiliates, will bear interest after the due date at the lesser of: (1) 1.5% per month; or (2) the maximum contract rate of interest permitted by law in the state in which the Franchised Business is located.

J. Application of Payments. We may apply against amounts due to us or any of our affiliates any payments received from you or any indebtedness of us to you.

K. Withholding Payments Unlawful. You agree that you will not withhold payment of any Royalty Fees, Brand Fund Contributions, Sales Support Fees, or any other amount due us, and that the alleged non-performance or breach of any of our obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Royalty Fees, Brand Fund Contributions or any other amounts due.

L. Tax Indemnification. You will indemnify us and reimburse us for all income, capital, gross receipts, sales, and other taxes that the state in which the Franchised Business is located imposes, or may

in the future impose, as a result of your operation of the Franchised Business or the license of any of our intangible property in the jurisdiction in which the Franchised Business is located. If more than one DDH franchisee is located in such jurisdiction, they will share the liability equally.

## 5. DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS

A. Your Development of the Franchised Business. Before you begin operating the Franchised Business, you will:

1. obtain all required building, utility, sign, health, sanitation and business permits and licenses, and any other required permits and licenses
2. obtain all other licenses or certifications required by applicable law to operate the Franchised Business and to provide professional organizing services, and other services, including estate clean-out management, move and relocation management, and home sale preparation, including decluttering, organizing, and styling spaces, and related products and services
3. obtain an opening inventory of all organizing products, supplies and equipment, and such other products and materials we require for the Franchised Business
4. maintain our then-current minimum working capital requirements (currently 3 months operating expenses available through cash, line of credit, or loan)
5. obtain all signage that we require for the Franchised Business and vehicle you will use in connection with operating the Franchised Business; and
6. establish filing, accounting and inventory control systems complying with our requirements.

B. Equipment and Signs. You will use in operating the Franchised Business only those types of materials, supplies, equipment (including organizing accessories and computer hardware and software), and signs that we have approved for DDH businesses as meeting our specifications and standards for appearance, function and performance. You may purchase approved types of supplies, materials, equipment, and signs from any supplier we approve or designate (which may include us and/or our affiliates). If you propose to purchase any supplies, materials, equipment, or signs we have not then approved, or any items from any supplier we have not then approved, you must notify us in writing and provide to us (at our request) sufficient specifications, photographs, drawings and other information or samples for us to determine whether the supplies, materials, equipment, or vehicle sign complies with our specifications and standards, or the supplier meets our approved supplier criteria, which determination we will make and communicate in writing to you within a reasonable time (generally 30 days). We reserve the right to charge you an evaluation and/or testing fee in connection with our review of any alternate supply or supplier you request.

C. Computer System. You will use in operating the Franchised Business the computer system we designate, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed and/or selected for the System (the "Computer System"). The Computer System developed or designed for use in your Franchised Business may include one or more software programs or applications developed for us or designated for us (the "Designated Software"). You must use any Designated Software that we designate. The Designated Software will remain the confidential property of us or our third-party supplier. You may be required to enter into our or a third-party supplier's standard form computer software access or license agreement in connection with your use of the Designated

Software or other software we determine is necessary for the Franchised Business. You must pay us or our third-party suppliers the initial and ongoing then-current license fee(s) related to your use of any Designated Software or other required software. We reserve the right to assign our rights, title and interest in any Designated Software or any software license agreement to a third party we designate, or to replace the Designated Software. In such event, you may be required to enter into a separate computer software license agreement specified by us or the third-party supplier of the Designated Software. You must replace the Computer System, including the Designated Software, as we designate. We may require you to make certain updates and modifications to the Computer System more frequently. We also may access financial information and customer data produced by or otherwise located on your Computer System (collectively the "Customer Data"). We periodically will establish policies respecting the use of the Customer Data. You will have at the Franchised Business, Internet access with a form of high-speed connection as we require, and a dedicated telephone line for the Franchised Business. You will use an e-mail address we designate or approve for communication with us and customers. The computer hardware component of the Computer System must comply with specifications we develop. We have the right to designate a single source from which you must purchase the Computer System, including the Designated Software, any other software or hardware components or associated services. You understand and agree that we or our affiliates may be that single, designated source. You will be required to use and, at our direction, pay for all future updates, supplements and modifications to the Computer System.

D. Pre-Opening/Grand Opening Marketing Program. In addition to other marketing and advertising expenditures required by this Agreement at least 30 days prior to the opening of your DDH Business and for 60 days following, you will be required to spend a minimum of \$15,000 for each Protected Territory for grand opening advertising, marketing, public relations and promotional programs for your DDH Business ("Pre-Opening/Grand Opening Marketing Program"). You will obtain our approval of the Grand Opening Campaign, and you must use our designated media vendor (if any) and must implement our recommended media plan (if any) in conducting the Pre-Opening/Grand Opening Marketing Program.

E. Franchised Business Opening. You will not open the Franchised Business for business without our prior written approval. You agree to complete the development and open the Franchised Business for business within 90 days of the Effective Date.

F. Relocation of Franchised Business. You will not relocate the Franchised Business from the site without our prior written consent. If you relocate the Franchised Business under this Section, the "new" franchised location of the Franchised Business, including the real estate and building, must comply with all applicable provisions of this Agreement and with our then-current specifications and standards for DDH businesses. We will not unreasonably withhold our consent to the proposed relocation, provided the "new" location for the Franchised Business is located within your Protected Territory and that you otherwise comply with any other conditions that we may require. You must reimburse us for any costs and expenses we incur in evaluating your proposed relocation. If you must relocate the Franchised Business because the Franchised Business was destroyed, condemned or otherwise became untenable by fire, flood or other casualty, you must reopen the Franchised Business at the new franchised location in the Protected Territory within 90 days after you discontinue operation at the existing Franchised Business site.

## 6. TRAINING AND OPERATING ASSISTANCE

A. Training. Your Designated Owner must attend our initial training program on the operation of a Franchised Business, provided at a place and time we designate. If the Designated Owner and Operating Manager are two different people, your Operating Manager must also attend our initial training program with the Designated Owner. If your Designated Owner is your Operating Manager, then you may include additional managers or employees to attend, and your sales employee(s) can attend sales training at the same time. We will charge a fee of \$5,000 for your Designated Owner (and, if applicable, your

Operating Manager) or other approved managers or employees and your sales employee(s) to attend our initial training program. If we require, or you request that we provide the initial training program to any additional individuals we reserve the right to charge you our then-current initial training fee. You are solely responsible for the compensation, travel, lodging and living expenses your Designated Owner, your Operating Manager, and your employees incur in attending the in-person component of the initial training program and any supplemental or refresher training programs.

Your Designated Owner and Operating Manager must attend and successfully complete the initial training. The initial training program will take place in multiple phases. First, your Designated Owner and Operating Manager (or other approved managers or employees) and sales employee(s) will complete pre-opening activities we require such as: completing the computer-based courses and reading the required book and training manual. This phase of the training may be completed from your Franchised Business' office, or another location you prefer. Second, after completing the required pre-training, your Designated Owner and Operating Manager (or other approved managers or employees) will attend in-person training in Montclair, New Jersey, or such other location that we designate. The Training includes instruction relating to the Franchised Business operations, services offered, customer service, marketing and sales programs. These training modules, phone calls or webinars, and the on-site training, are collectively referred to as the "Initial Training Program." The Initial Training Program includes instruction relating to the Franchised Business operations, services offered, marketing and sales programs, supplier relationships, goal setting, among other things. We may change any in-person training to virtual training at any time.

You may not open your Franchised Business unless your Designated Owner and Operating Manager (or other approved managers or employees) successfully complete the Initial Training Program and other required training to our satisfaction. The Initial Training Program must be completed at least 4 weeks before you launch your Franchised Business.

B. Opening Assistance. Before the opening of your Franchised Business, we will provide you with the market support for 2 to 3 days following the successful completion of the training program. We will review your marketing plan and the capacity to operate the business. If approved, you may open the Franchised Business. If we do not approve, then we may require additional training.

C. Ongoing Training. We may require your Designated Owner, Operating Manager, and/or such other employees we designate to attend or, when available, participate by Internet in, such additional training that we designate. You are responsible for the compensation, travel, lodging and living expenses your Designated Owner, your Operating Manager and your employees incur in attending any required ongoing training. We reserve the right to charge a reasonable fee in connection with any ongoing training we offer.

D. Operating Assistance. As the owner of your Franchised Business, you are solely responsible for the day-to-day operation of your Franchised Business. We will, however, provide you with operational advice and assistance in operating the Franchised Business as we deem appropriate. Operating assistance may include advice regarding the following:

1. products and services authorized for sale at DDH businesses
2. marketing and sales promotion programs for commercial and residential organizational services
3. selecting and purchasing organizational supplies, equipment and materials for the Franchised Business

4. employee relations and accountability of employees; and
5. establishing and operating administrative, bookkeeping, accounting, inventory control, sales and general operating procedures to properly operate a DDH business.

We will provide such guidance through our Manuals, bulletins or other written materials, telephone conversations and/or meetings at our office or at the Franchised Business. We will also provide you with additional assistance or support as needed. We reserve the right to charge you a fee for such additional support or assistance.

E. Conferences. You must attend the annual franchise conference of DDH businesses (the “Convention”) or conference that we sponsor or designate. You must pay to us our then-current Convention registration fee and you are responsible for all travel and living expenses. If you fail to attend the Convention without our prior written consent, you must pay our then-current fee for two people for failing to attend the Convention.

F. Manuals. During the Term of this Agreement, we will provide to you electronic access to an operations manual and other handbooks, manuals, bulletins, directives and written materials (collectively, the “Manuals”) for DDH businesses. The Manuals will contain mandatory and suggested specifications, standards and operating procedures that we develop for DDH businesses and information relating to your other obligations. We may add to, and otherwise modify, the Manuals to reflect changes in authorized products and services, and specifications, standards and operating procedures of a DDH business. The master copy of the Manuals that we maintain electronically or at our principal office and make available to you will control if there is a dispute involving the contents of the Manuals.

## 7. MARKS

A. Ownership and Goodwill of Marks. You acknowledge that you have no interest in or to the Marks and that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable specifications, standards and operating procedures that we require during the Term of this Agreement. You agree that your use of the Marks and any goodwill established exclusively benefits us, and that you receive no interest in any goodwill related to your use of the Marks or the System. You must not, at any time during the Term of this Agreement or after termination or expiration of this Agreement, contest or assist any other person in contesting the validity or ownership of any of the Marks.

B. Limitations on Your Use of Marks. You agree to use the Marks as the sole identification of the Franchised Business, but you must identify yourself as the independent owner in the manner we direct. You must not use any Mark as part of any corporate or trade name or in any modified form, and you cannot use any Mark in selling any unauthorized product or service or in any other manner unless we have expressly authorized such use in writing. You agree to display the Marks prominently and in the manner we direct on all signs and forms. Subject to our rights described in this Agreement, you agree to obtain fictitious or assumed name registrations as may be required under applicable law.

C. Restrictions on Internet and Website Use. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Marks. You have the right to access our website. Except as we may authorize in writing, however, you will not: (1) link or frame our website; (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication) except through a webpage that we approve; (3) create or register any Internet domain name in any connection with your Franchise; and (4) use any e-mail address which we have not authorized for use in operating the Franchised

Business. You will not register, as Internet domain names, any of the Marks or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar. Further, you may not market, advertise or promote your Franchised Business or conduct any business on the Internet, including using social and professional networking sites to promote your Franchised Business, except as provided in our written social media policy (if any) or with our prior written approval. We will set up, own, and have administrative rights to any social and professional networking sites that you use in your Franchised Business.

D. Notification of Infringements and Claims. You must notify us in writing within 24 hours of learning of any apparent infringement of or challenge to your use of any Mark, or any claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You must not communicate with any person other than us and our counsel regarding any infringement, challenge or claim. We may take any action we deem appropriate and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You will sign all documents, provide assistance and take all action as we may reasonably request to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks. To the extent we opt to control any referenced litigation or other proceeding arising out of any alleged infringement, challenge or claim relating to any Mark and you used the Mark in accordance with this Agreement and the Manuals, we will pay for, reimburse and otherwise cover any and all of your reasonable legal expenses and attorney fees incurred herewith (only to the extent previously approved in writing by us).

E. Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, within 24 hours of learning of any alleged claim or complaint, notify us of such claims or complaints made against you respecting the Marks and will, at your expense, cooperate in all respects with us in any court or other proceedings involving the Marks. We will pay the cost and expense of all litigation we incur, including attorneys' fees, specifically relating to the Marks. We and our legal counsel will have the right to control and conduct any litigation relating to the Marks.

F. Changes to Marks. You cannot make any changes or substitutions to the Marks unless we so direct in writing. We reserve the right to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution within a reasonable time after we notify you.

## 8. CONFIDENTIAL INFORMATION/IMPROVEMENTS

A. Confidential Information. You acknowledge and agree that you do not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Franchised Business pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary and is disclosed to you solely on the condition that you agree that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the Term of this Agreement; (3) will not make unauthorized copies of any Confidential Information disclosed in written form; (4) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Franchised Business employees; and (5) will require all Operating Managers and other employees with access to Confidential Information to sign such an agreement in a form we approve. Notwithstanding any other provision of this Agreement,

there may be certain, limited circumstances where applicable law allows for the disclosure of certain Confidential Information in limited circumstances, as specified in the Manuals.

The restrictions on your disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent you are legally compelled to disclose this information, if you use your best efforts to maintain the confidential treatment of the Confidential Information, and provide us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

B. Trade Secrets. You understand and agree that you will come into possession of certain of our trade secrets concerning the manner in which it conducts business, excluding any patents but including, but not necessarily limited to, the following: (i) methods of doing business; (ii) business processes; (iii) strategic business plans; (iv) customer lists and information; (v) marketing and promotional campaigns; (vi) Designated Software; and (vii) our materials clearly marked or labeled as trade secrets (“Trade Secrets”). You agree that the Trade Secrets, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to us. You understand and agree that we derive independent economic value from the Trade Secrets not being generally known to, and not being readily ascertainable through proper means by, any other person. You will take reasonable measures to keep such information secret. Upon termination of this Agreement, you will not use, sell, teach, train, disseminate, or otherwise expose any other person, firm, corporation, association, or other entity or group, in any manner to any Trade Secret. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Manuals.

B. Improvements. You must fully and promptly disclose to us all ideas, concepts, methods, techniques, improvements, additions and Customer Data relating to the development and/or operation of a DDH business or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Franchised Business, or any advertising or promotion ideas related to the Franchised Business (collectively the “Improvements”) that you and/or your employees conceive or develop during the Term of this Agreement. You agree to assign to us all rights to the Improvements without any obligation to you for royalties or other fees.

## 9. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. Relationship of the Parties. We and you are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. You must conspicuously identify yourself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Franchised Business under a franchise agreement from us and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as we require.

B. YOUR INDEMNIFICATION OBLIGATIONS. YOU AGREE TO INDEMNIFY AND HOLD US AND OUR SUCCESSORS AND ASSIGNS, SUBSIDIARIES, AFFILIATES, STOCKHOLDERS, MEMBERS, DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES AND AGENTS HARMLESS AGAINST, AND TO REIMBURSE THEM FOR, ANY LOSS, LIABILITY OR DAMAGES ARISING OUT OF OR RELATING TO YOUR OWNERSHIP OR OPERATION OF THE FRANCHISED BUSINESS, AND ALL REASONABLE COSTS OF DEFENDING ANY CLAIM BROUGHT AGAINST ANY OF THEM OR ANY ACTION IN WHICH ANY OF THEM IS NAMED AS A PARTY (INCLUDING REASONABLE ATTORNEYS’ FEES) UNLESS THE LOSS, LIABILITY,

DAMAGE OR COST IS SOLELY DUE TO OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

C. Our Indemnification Obligations. We agree to indemnify and hold you and your officers, directors and agents harmless against, and to reimburse them for, any loss, liability or damage solely arising from or relating to our breach of this Agreement, gross negligence or willful misconduct and all reasonable costs of defending any claim related to the foregoing brought against you or any action in which you are named as a party (including reasonable attorneys' fees).

D. Survival. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

#### 10. FRANCHISED BUSINESS IMAGE AND OPERATING STANDARDS

A. Condition of Franchised Business. You agree to replace worn out or obsolete fixtures, equipment, furniture, or signs, repair the interior and exterior of the Franchised Business and periodically clean and redecorate the Franchised Business as we require. If at any time in our reasonable judgment, the general state of the fixtures, equipment, furniture or signs used in operating the Franchised Business do not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency.

B. Your Hiring and Training of Employees. As the owner of your Franchised Business, you are solely responsible for the day-to-day operation of your Franchised Business, including all employment related matters and issues that may arise. You will hire all employees of the Franchised Business, be exclusively responsible for the terms of their employment and compensation and implement a training program for Franchised Business employees in compliance with our requirements. You will maintain at all times a staff of trained employees sufficient to operate the Franchised Business in compliance with our standards and applicable law, including ensuring that all of your employees are federally E-verified.

C. Products, Supplies and Materials. You agree that the Franchised Business will only offer for sale those products and services which we have approved as being suitable for sale and meeting the standards of quality and uniformity for the System. We periodically may modify the lists of approved services, as described in the Manuals. You agree to immediately cease selling products, and offering or performing services, we no longer approve, and you agree to begin offering new or modified products and services within the time period(s) we describe in the Manuals. Certain products and services must be purchased from suppliers we have approved (which may include us and/or our affiliates). You may be required to enter into a supply agreement with such suppliers. We periodically may modify the lists of approved products, brands and suppliers, and you will comply with such modified lists of approved products, brands and suppliers. If you propose to offer for sale any products or services which we have not approved, you must first notify us in writing and provide sufficient information, specifications and samples concerning the brand and/or supplier to permit us to determine whether the brand complies with our specifications and standards and/or the supplier meets our approved supplier criteria. We will notify you within a reasonable time (generally within 90 days) whether or not the proposed product, brand and/or supplier is approved. We reserve the right to charge an evaluation and/or testing fee in connection with this process. We may develop procedures for the submission of requests for approved brands or suppliers and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be signed by approved suppliers). We may impose limits on the number of suppliers and/or brands for any products and services to be used in the Franchised Business. You agree that certain products may only be available from one source, and we or our affiliates may be that source. You must, at all times, maintain an inventory of products sufficient in quantity and variety to realize the full potential of the Franchised Business or as we require or suggest in the Manuals. Neither we nor our affiliates, however, guaranty that

product will be available from us or any third-party supplier. YOU ACKNOWLEDGE AND AGREE THAT WITH RESPECT TO ANY GOODS OR SERVICES SUPPLIED OR SOLD BY APPROVED SUPPLIERS OTHER THAN US OR OUR AFFILIATES, NOW AND IN THE FUTURE, WE MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE.

ANY DDH GOODS OR SERVICES SUPPLIED OR SOLD BY US OR OUR AFFILIATES ARE SUBJECT TO THE LIMITED WARRANTY PROVIDED TO US OR OUR AFFILIATES BY OUR OR OUR AFFILIATES' SUPPLIERS AND MANUFACTURERS. THE TERMS OF THE LIMITED WARRANTY WILL BE PROVIDED TO YOU UPON THE PURCHASE OF THE GOODS AND SERVICES FROM US OR OUR AFFILIATES. WE AND OUR AFFILIATES DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL WE OR OUR AFFILIATES BE LIABLE FOR ANY LOST PROFITS, LOST REVENUES, OR ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND.

D. Standards of Service. You must at all times give prompt, courteous and efficient service to your customers. You must, in all dealings with your customers, suppliers and the public, adhere to the highest standards of honesty, integrity and fair dealing.

E. Specifications, Standards and Procedures. While you are solely responsible for the day-to-day operation of your Franchised Business, you acknowledge that we will impose certain mandatory specifications, standards and operating procedures (whether contained in the Manuals or any other written communication to you) that must be met to protect the Marks, customer experience and other DDH businesses. You agree to comply with all mandatory specifications, standards and operating procedures we impose, including:

1. type and quality of products and services offered through the Franchised Business
2. quality and uniformity of service and sales of all products and services at the Franchised Business
3. methods and procedures relating to marketing, dealing with customers and providing services
4. the safety, maintenance, cleanliness, function and appearance of the Franchised Business and its vehicles, equipment and signs
5. the style, make and/or type of equipment used in operating the Franchised Business
6. use of promotional or branded signs, posters, displays, standard formats and similar items
7. Franchised Business advertising and promotion
8. complying with all laws and regulations relating to privacy and data protection and complying with any and all privacy policies or data protection and breach response policies we periodically may establish; and
9. complying with all laws, regulations and certifications as we deem relevant.

F. Compliance with Laws and Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. You must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us in writing within 24 hours of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, or award of decree by any court, agency or other governmental instrumentality, that may adversely affect the operation or financial condition of you or the Franchised Business. You must notify us immediately of any suspected data breach at or in connection with the Franchised Business. You will not conduct any business or advertising practice which injures other DDH businesses, the System or the goodwill associated with the Marks.

G. Management of the Franchised Business/Conflicting Interests. The Franchised Business must at all times be under the direct supervision of the Designated Owner. The Designated Owner must at all times faithfully, honestly and diligently perform your obligations and continuously use best efforts to promote and enhance the business of the Franchised Business. You (or your Principal Owner if you are an entity) may elect not to supervise your Franchised Business on a full-time basis; provided that you appoint an Operating Manager. The Operating Manager must assume responsibilities on a full-time basis and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments or otherwise may conflict with your obligations.

H. Insurance. You agree to purchase and maintain in force, at your expense, all of the insurance coverage we require in the types and amounts described in the Manuals. All insurance policies will: (1) be issued by an insurance carrier(s) acceptable to us; (2) will name us and our affiliates as an additional insured; (3) contain a waiver of the insurance company's right of subrogation against us; (4) contain the minimum insurance coverage that we designate in the Manuals for each DDH franchised business that you operate, including this Franchised Business; and (5) provide that we will receive 30 days' prior written notice of any material change in or termination, expiration or cancellation of any policy. We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If you at any time fail to maintain in effect any insurance coverage we require, or to furnish satisfactory evidence thereof, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums we incur. You will provide us with copies of the certificate of insurance, insurance policy endorsements or other evidence of compliance with these requirements at least 2 weeks before you take possession and commence development of the Franchised Business premises, and at such other times as we may require. In addition, you will provide to us a copy of the evidence of the renewal or extension of each insurance policy in a form we require.

I. Participation in Internet Website. We require you to participate in a DDH website listed on the Internet or other online communications and participate in any extranet system we designate. We will determine the content and use of a DDH website and extranet system and will establish rules under which franchisees will participate. We will retain all rights relating to the DDH website and extranet system and may alter the website or extranet system upon 30 days' notice to you. Your general conduct on the Internet and any extranet system we designate, and specifically your use of the Marks or any advertising on the Internet (including the domain name and any other Marks we may develop as a result of participation on the Internet), will be subject to the provisions of this Agreement. You acknowledge that certain information obtained through your online participation on the website or extranet system is considered Confidential Information (as defined in Section 1(A) above), including access codes and identification codes. Your right to participate in the DDH website or extranet system or otherwise use the Marks or the System on the Internet will terminate when this Agreement expires or terminates.

J. E-Commerce Programs. We reserve the right to establish e-commerce programs designed to expand the market for DDH products and services through sales of product or equipment on a centralized Internet website. You agree to participate in such programs, provided you satisfy our then-current qualifications, and understand that we will establish the rules under which you will or may participate.

K. Participation in Certain Programs and Promotions. You must use your best efforts to promote and advertise your Franchised Business and must participate in all advertising and promotional programs we establish in the manner we direct. If you do not receive a passing score in connection with any quality assurance check we conduct, you must take all actions necessary to address any deficiency and we reserve the right to seek reimbursement from you for any costs and expenses we incur in connection with the quality assurance check.

## 11. SALES SUPPORT AND MARKETING

A. Sales Support. You must participate in a sales support center program (the “Sales Support”) as described in the Manuals. We reserve the right to modify or cancel the Sales Support at any time. You must comply with all standards and instructions that we impose in connection with the Sales Support, including the timeliness of responding to customers, purchasing or upgrading necessary equipment to enable participation, and any other standards and instructions described in the Manuals. We reserve the right to exclude you from participation in the Sales Support if you fail to comply with any standards and/or instructions. We will determine the Sales Support administration, the methods of advertising, media employed, and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs.

B. DDH Brand Fund. During the Term of this Agreement, you will pay to us for deposit in a system marketing fund (the “DDH Brand Fund”) a system marketing fee (the “Brand Fee Contribution”) equal to 1% of Gross Revenue per week. We reserve the right to increase the Brand Fee Contribution amount up to 2% upon 30 days written notice to you. We will place all Brand Fund Contributions we receive in the “DDH Brand Fund” and we will manage such DDH Brand Fund. We also will contribute to the DDH Brand Fund for each DDH business that we operate in the United States at the same rate as a majority of DDH franchisees must pay to the DDH Brand Fund. Reasonable disbursements from the DDH Brand Fund will be made solely to pay expenses we incur in connection with the general promotion of the Marks and the System, including creating and producing marketing and advertising materials; digital and social media content creation; website hosting; national search engine optimization; annual conference expenses; outside advertising agency fees for creating advertising programs; public relation activities; outside public relations agency fees; technology investments; digital marketing; and reimbursing us the costs of administering the DDH Brand Fund, including employee salaries and benefits. The DDH Brand Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the DDH Brand Fund. We cannot ensure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. We may spend in any fiscal year an amount greater or less than the aggregate contributions of DDH businesses to the DDH Brand Fund in that year. We will determine the methods of advertising, media employed, and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, we will provide you an annual unaudited statement of the receipts and disbursements of the DDH Brand Fund for the most recent calendar year. Any end-of-year surpluses or shortages in the DDH Brand Fund in a given year will carry over to the next year

C. Minimum Local Advertising Requirements. You will spend the amount designated in Exhibit A (the “Minimum Local Advertising Spend Requirement”) on “approved” advertising and promotional activities. On or before 45 days following the end of the applicable calendar year, you will provide us with an accounting of the funds that you spent on local advertising during the preceding calendar

year. We may require that some of the Minimum Local Advertising Spend Requirement be paid directly to us for local marketing efforts we undertake for the benefit of franchisees. If you fail to spend the Minimum Local Advertising Spend Requirement during the previous calendar year on approved local advertising, you will deposit with us the difference between the Minimum Local Advertising Spend Requirement and what you actually spent for approved advertising during the calendar year. We will use that amount to pay expenses we incur in connection with the general support of the franchise system, and such amounts may not be spent in your Protected Territory. During the first calendar year, you must spend a pro rata portion of the Minimum Local Advertising Spend Requirement on approved local advertising. For purposes of this Section, advertising and promotional activities are “approved” if they are included in our recommended media plan for the Franchised Business (if applicable) and otherwise comply with Section 11(E) below.

D. Cooperative Advertising. At our option, you will participate in, support and contribute to one or more regional or local cooperative advertising or marketing programs established in an area or region where your Protected Territory is location as we determine. If a cooperative is established, you must contribute an amount that we determine or that the cooperative may determine (with our approval), up to Minimum Local Advertising Spend Requirement; provided that your obligations each calendar year under this Section 11(D) will be limited such that your combined obligations under Sections 11(C) and 11(D) will not exceed the “Minimum Store Promotion Requirement” as described in Section 11(C) above. We reserve the right to designate regional and local advertising or marketing markets, to establish regional advertising or marketing councils and to establish the bylaws and other rules under which each cooperative will operate.

E. Approved Advertising and Franchised Business Promotion Materials. You will use only our approved advertising and promotional materials approved by us in promoting the Franchised Business. You must use our designated digital marketing agency to place digital marketing. If you desire to use any advertising or promotional materials in promoting the Franchised Business which we previously have not approved, it must be submitted to us and you must obtain written approval from us at least 10 days before using any such materials, which approval will not be unreasonably withheld. If no response is received it should be considered unapproved. If we later determine that your advertising materials do not satisfy our then-current advertising and promotional standards, you will immediately cease using such materials upon written notice from us.

F. Participation in Certain Programs and Promotions. You will use your best efforts to promote and advertise the Franchised Business and will participate in all advertising and promotional programs we establish in the manner we direct. We may provide you with advertising templates at no cost. If you order any advertising materials from us, we reserve the right to charge you a fee, plus any shipping expenses we incur. We send marketing materials (the “pre-mailer”) to a customer anytime you have an appointment with a customer, and we require you to pay us for the cost of these mailers. You will have the right to advertise and sell your services at the prices you determine, provided such prices are consistent with our general marketing and advertising guidelines.

## 12. RECORDS AND REPORTS

A. Accounting and Records. During the Term of this Agreement, you will, at your expense, maintain and retain for a minimum of 7 years from the date of their preparation, complete and accurate books, records and accounts (using such methods of bookkeeping and accounting as we may require) relating to the Franchised Business (the “Records”), in the form and manner we direct in the Manuals or otherwise in writing. The Records will include the following: (i) monthly profit and loss statements, (ii) a monthly chart of accounts and income statements in a format we designate; (iii) all tax returns relating to the Franchised Business; and (iv) such other records and information as we periodically may request. You will be permitted to preserve Records and submit reports electronically, consistent with our requirements.

As noted in Section 5(C) of this Agreement, we may electronically access all financial information, Records and Customer Data located on your Computer System. Within 30 days of the Effective Date, you must engage a bookkeeping service we designate at your expense and use such bookkeeping services throughout the term of this Agreement, unless we waive that requirement.

B. Reports and Tax Returns. You will deliver to us, or provide us access to, the following: (1) within 30 days following the end of month, monthly financial statements for the previous month that include a complete profit and loss statement and a balance sheet, a chart of accounts, and an income statement; (2) within 45 days following your Franchised Business' fiscal year end, an annual profit and loss statement and source and use of funds statement for the Franchised Business for the preceding calendar year and a balance sheet for the Franchised Business as of the end of the year, (3) within 15 days following the end of the previous quarter, quarterly fee reports of weekly revenue and amounts due, and (4) by May 1 of each year a copy of your income tax return, sales tax return and/or payroll tax return for the preceding calendar year. If your filing date is extended, a copy of extension request must be submitted to us within 15 days of its filing. You also will provide to us copies of all Records and other information and supporting documents as we designate. All financial statements, reports and information must be on forms we approve and that you have signed and verified.

### 13. INSPECTION AND AUDITS

A. Our Right to Inspect the Franchised Business. To determine whether you are complying with this Agreement, we may, during regular business hours, inspect the Franchised Business. You will fully cooperate with our representatives making any inspection and will permit our representatives to interview employees and customers of the Franchised Business. If we elect to engage a third-party to perform inspections or quality assurance audit (including mystery shop program) you may be required to pay a fee to participate in the programs.

B. Our Right to Examine Books and Records. We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of the Records (including the books, records and state and/or federal income tax records of the Franchised Business) and the federal income tax returns of any Principal Owner. You must maintain all Records and supporting documents at all times at the Franchised Business premises or your corporate office. You will make financial and other information available at a location we reasonably request and will allow us (and our agents) full and free access to any such information at the Franchised Business or your corporate office. You must make copies of any Records we request and deliver those Records to us or our designee. You otherwise will fully cooperate with our representative and independent accountants hired to conduct any examination or audit.

C. Result of Audit; Unreported Gross Revenue. You must reimburse us for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees, if: (1) an examination or audit is necessary because you failed to timely provide required information; or (2) any examination or audit results in a determination that Gross Revenue for any month is understated by more than 2% or greater during any designated audit period. The foregoing remedies are in addition to all other of our remedies and rights under applicable law.

### 14. COVENANTS

A. Non-Solicitation of Customers. You and each Principal Owner and their respective spouses will not, during the Term of this Agreement, and for a period of 2 years thereafter, directly or indirectly, divert or attempt to divert any business, account or customer of the Franchised Business or any other DDH business or the System to any competing business.

B. Covenant Not to Compete During Term. You and each Principal Owner and their respective spouses will not, during the Term of this Agreement, directly, or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any business offering professional organizing services, and other services, including estate clean-out management, move and relocation management, and home sale preparation, including decluttering, organizing, and styling spaces, and related services or products that is competitive with a DDH business, except: (i) with our prior written consent; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent 1% or less of that class of securities.

C. Post-Term Covenant Not to Compete. You and each Principal Owner and their respective spouses will not, for a period of 2 years after this Agreement expires or is terminated or the date on which you cease to operate the Franchised Business under this Agreement, whichever is later, directly, or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity with any business offering professional organizing services, and other services, including estate clean-out management, move and relocation management, and home sale preparation, including decluttering, organizing, and styling spaces, and related products and services or products that is competitive with or similar to a DDH business: (i) from the Franchised Business premises, (ii) inside the (your former) Protected Territory; (iii) anywhere within a 10-mile radius of the outside boundary of your former Protected Territory or (iv) within any other DDH franchisees' protected territory. This Section 14(C) will not apply to: (a) other DDH businesses that you operate under DDH franchise agreements; or (b) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent 1% or less of that class of securities. You agree that the length of time in this Section 14(C) will be tolled for any period during which you are in breach of the covenants, or we must seek to enforce your obligations in this Section.

D. Injunctive Relief. You agree that damages alone cannot adequately compensate us if there is a violation of any covenant in this Section in that injunctive relief is essential for our protection. You therefore agree that we may seek injunctive relief without posting any bond or security, in addition to the remedies that may be available to us at equity or law, if you or anyone acting on your behalf violates any covenant in this Section. The covenants stated in this Section will survive the termination or expiration of this Agreement.

## 15. ASSIGNMENT

A. By Us. This Agreement is fully assignable by us and benefits our successors and assigns. Any such assignment will require the assignee to fulfill our obligations under this Agreement.

B. Your Assignment to Corporation or Limited Liability Company. You (as an individual) may assign this Agreement to a corporation or a limited liability company that conducts no business other than the Franchised Business (or other DDH business under franchise agreements with us), provided: (1) you or the Operating Manager actively manage the Franchised Business; (2) you own at least fifty-one percent (51%) of the ownership interest in the corporation or limited liability company and we approve all Principal Owners; (3) you and all Principal Owners of the assignee entity, and their spouses, sign the Guaranty and Assumption of Obligations Agreement attached hereto as Exhibit C; (4) you provide us written notice at least 15 days before the proposed date of assignment of this Agreement to the corporation or limited liability company; (5) you provide to us a certified copy of the articles of incorporation, bylaws, operating agreement, organizational documents, and a list of all shareholders or members having beneficial ownership, reflecting their respective interest in the assignee entity; and (6) the organizational documents

and all issued and outstanding stock or membership certificates will bear a legend, in form acceptable to us, reflecting or referring to the assignment restrictions stated in Section 15(C) below. You will not pay a transfer fee for an assignment under this Section 15(B).

C. Your Assignment or Sale of Substantially All of Your Assets. You understand that we have granted the Franchise under this Agreement in reliance on your individual or collective character, attitude, business ability and financial capacity. You and your Principal Owners will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, your business, the Franchised Business, substantially all or all of the assets of your business, this Agreement or any interest of 10% or more in you unless you obtain our prior written consent. We will not unreasonably withhold our consent to an assignment, provided you comply with any or all of the following conditions which we may deem necessary:

1. You have satisfied all of your accrued monetary obligations to us, our affiliates and your vendors, and you otherwise are in good standing under this Agreement.
2. The transferee-franchisee (or the managing Principal Owners, if applicable) is approved by us and demonstrates to our satisfaction that the individual(s) meet our managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct the Franchised Business. You understand that we may communicate directly with the transferee-franchisee during the transfer process to respond to inquiries, as well as to ensure that the transferee-franchisee meets our qualifications.
3. The transferee-franchisee signs our then-current standard form of franchise agreement (although such agreement may provide other rights and obligations from those provided in this Agreement).
4. The transferee-franchisee successfully completes the initial training program required of new franchisees.
5. If required, the lessor of the Franchised Business premises consents to your assignment or sublease of the premises to the transferee-franchisee.
6. You pay us an assignment fee equal to \$10,000 and you are responsible for any broker fees associated with any sale.
7. You (and each Principal Owner, if applicable) sign a general release, in form and substance satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law.
8. We approve the material provisions of the assignment or sale of assets which assignment or sale cannot permit you to retain a security interest in this Agreement or any other intangible asset; and
9. You (and each Principal Owner, if applicable) sign an agreement, in form and substance satisfactory to us, in which you and each Principal Owner covenants to observe the post-termination covenant not to compete and all other applicable post-termination obligations.

D. Your Death or Disability. If you (or the Designated Owner) die or are permanently disabled, your executor, administrator or other personal representative, or the remaining Principal Owners, must appoint (if necessary) a competent Operating Manager acceptable to us within a reasonable time, not

to exceed 30 days, from the date of death or permanent disability. The appointed Operating Manager must satisfactorily complete our designated training program. If you have been the designated Operating Manager and an approved Operating Manager is not appointed within 30 days after your death or permanent disability, we may, but are not required to, immediately appoint an Operating Manager to maintain Franchised Business operations on your behalf until an approved assignee can assume the management and operation of the Franchised Business. Our appointment of an Operating Manager does not relieve you of your obligations, and we will not be liable for any debts, losses, costs or expenses you incur in operating the Franchised Business or to any creditor of yours for any products, materials, supplies or services purchased by the Franchised Business while it is managed by our appointed manager. We may charge a fee for management services equal to 20% of Gross Revenue and may cease to provide management services at any time.

If you (or the Designated Owner) die or are permanently disabled, your executor, administrator, or other personal representative must transfer your interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person we approve. Such transfers, including transfers by devise or inheritance, will be subject to conditions contained in Section 15(C) above.

E. Public or Private Offerings. Subject to Section 15(C) above, if you (or any of your Principal Owners) desire to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in you or any of your affiliates, you agree to submit to us any written information we request before its inclusion in any registration statement, prospectus or similar offering circular or memorandum and must obtain our written consent to the method of financing before any offering or sale of securities. Our written consent will not imply or represent our approval respecting the method of financing, the offering literature submitted to us or any other aspect of the offering. No information respecting us or any of our affiliates will be included in any securities disclosure document, unless we furnish the information in writing in response to your written request, which request will state the specific purpose for which the information is to be used. Should we, in our discretion, object to any reference to us or any of our affiliates in the offering literature or prospectus, the literature or prospectus will not be used unless and until our objections are withdrawn. We assume no responsibility for the offering.

The prospectus or other literature utilized in any offering must contain the following language in boldface type on the first textual page:

**“NEITHER DDH FRANCHISING, LLC NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER DDH FRANCHISING, LLC NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. NEITHER DDH FRANCHISING, LLC NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”**

F. Our Right of First Refusal. If you or your Principal Owners at any time during the Term of this Agreement desire to sell or assign for consideration the Franchise, the Franchised Business, an ownership interest representing (in the aggregate) 50% or more of the ownership in you or all or substantially all of your assets, you or your Principal Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to us. We have the right, exercisable by written notice delivered to you or your Principal Owners within 30 days following receipt of the proposed offer, to purchase the interest in the Franchised Business or your ownership interest for the price and on terms contained in the offer. We may substitute cash for any non-cash form of payment

proposed in the offer and will have a minimum of 60 days to prepare for closing. If we do not exercise our right of first refusal, you or your Principal Owners may complete the sale to the proposed purchaser under the terms of the offer, provided you and the Principal Owners otherwise comply with this Section 15. If the sale to the proposed purchaser is not completed within 180 days after delivery of the offer to us, or if there is a material change in the terms of the sale, we again have the right of first refusal.

G. Guaranty. All Principal Owners of you, and their spouses, will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit C (the “Guaranty Agreement”). Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of you or their spouse under the provisions of this Section 15 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement. You will furnish to us at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form we reasonably require, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes a franchisee.

## 16. FRANCHISOR’S TERMINATION RIGHTS

A. Termination of Franchise Agreement - Grounds. You will be in default, and we may, at our option, terminate this Agreement, as provided herein, if: (1) you (or the Designated Owner or other approved managers or employees) fail to satisfactorily complete the initial training program or fail to open and commence operations of the Franchised Business at such time as provided in this Agreement; (2) you violate any material provision or obligation of this Agreement; (3) you or any of your managers, directors, officers or any Principal Owner make a material misrepresentation or omission in the application for the Franchise; (4) you or any of your managers, directors, officers or any Principal Owner are convicted of, or plead guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe will injure the System, the Marks or the goodwill associated therewith, or if we have proof that you have committed such a felony, crime or offense; (5) you fail to comply with the material requirements of the System or the material standards of uniformity and quality for the products and services as described in the Manuals or in other communications we have provided; (6) you fail to timely pay Royalty Fees, Brand Fund Contributions, Sales Support Fees or any other obligations or liabilities due and owing to us or our affiliates or suppliers we approve as a source for required items; (7) you file, or indicate you will imminently file, for bankruptcy or you are otherwise insolvent within the meaning of any applicable state or federal law; (8) you make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of your assets for the benefit of creditors; (9) you voluntarily or otherwise “abandon” (as defined below) the Franchised Business; (10) you are involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name “DDH”, any of the Marks, or the System; (11) you or a Principal Owner make an unauthorized assignment or transfer of this Agreement, the Franchised Business or an ownership interest in you; (12) you develop or use an unapproved website in connection with the Franchised Business or otherwise conduct any unauthorized activity on the Internet in violation of Section 7(C) above; (13) you fail to comply with the Minimum Performance Requirement Per Protected Territory outlined in Section 2(E) above; (14) you are evicted from, or otherwise lose your lease; (15) you disclose Confidential Information; or (16) you fail to keep accurate financial statements. “Abandon” means your failure to respond to us during normal business hours for a period of 7 consecutive days without our prior written consent, your failure to spend the Minimum Local Advertising Spend Requirement in a one-month period, or your failure to collect at least \$10,000 in Gross Revenue from customers in your Territory in a one-month period without our prior written consent unless such failure is due to an event of “*force majeure*” as further described in Section 20(H) below.

B. Procedure. Except as described below, you will have 30 days, or such longer period as applicable law may require, after you receive from us a written notice of default within which to remedy

any default hereunder, and to provide evidence thereof to us. If you fail to correct the alleged default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to you effective immediately when the 30-day period (or such longer period as applicable law may require) expires. You will have 10 days, or such longer period as applicable law may require, after you receive from us a written notice of default within which to remedy any monetary default under this Agreement or any other agreement between you and us or our affiliates. If you fail to correct the alleged monetary default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to you effective immediately when the 10-day period (or such longer period as applicable law may require) expires. We may terminate this Agreement immediately upon delivery of written notice to you, with no opportunity to cure, if the termination results from any of the following: (1) you fail to comply with one or more material requirements of this Agreement on 3 separate occasions within any 12 month period; (2) the nature of your breach makes it not curable; (3) you willfully and repeatedly deceive customers relative to the source, nature or quality of goods sold; (4) any default under items (3), (4), (7), (8), (9), (10), (11), (12), (14), or (15) in Section 16(A) above; or (5) you willfully and materially falsify any report, statement, or other written data furnished to us either during the franchise application process or after you are awarded a franchise. Any report submitted under Section 12(B) will be conclusively deemed to be materially false if it understates Gross Revenue by more than 5% or \$1,000 in a particular month.

C. Applicable Law. If the provisions of this Section 16 are inconsistent with applicable law, the applicable law will apply.

#### 17. FRANCHISEE'S TERMINATION RIGHTS

You may terminate this Agreement if we violate any of our material obligations to you and fail to cure such violation within 90 days after our receipt of written notice from you; provided, however, that you are in substantial compliance with the Agreement at the time you give such notice of termination. Your written notice must identify the violation and demand that it be cured.

#### 18. FRANCHISEE OBLIGATIONS UPON TERMINATION

A. Post-Term Duties. If this Agreement expires or is terminated for any reason other than a termination as a result of our breach, you will:

1. within 10 days after termination or expiration, pay all amounts due and owing to us or our affiliates, including all Royalty Fees, Brand Fund Contributions, Sales Support Fees and accrued interest due under this Agreement
2. discontinue using, and return to us by first class prepaid United States mail any hard copies of, and delete all electronic copies of, the Manuals and any other manuals, advertising materials, and all other printed materials relating to the operation of the Franchise
3. cease using and assign to us or, at our discretion, disconnect the telephone number for the Franchised Business. You acknowledge that we have the sole right to and interest in all telephone numbers and directory listings associated with the Marks or used in connection with operating the Franchised Business, and you authorize us, and appoint us as your attorney-in-fact, to direct the telephone company and all listing agencies to transfer such numbers and listings to us;
4. cease using and assign to us all email addresses or social media accounts used in connection with the Franchised Business

5. remove from the Franchised Business premises and from any vehicle used in operating the Franchised Business, all signs, posters, fixtures, decals, wall coverings and other materials that are distinctive of a Franchised Business or bear the name DDH or other Marks or any name or mark substantially similar to any Mark
6. discontinue using the Designated Software, including the return of all materials relating to the Designated Software, and provide us or our designee with full access to your Computer System hard drive to delete the Designated Software and related content
7. take all necessary action to cancel all fictitious or assumed name or equivalent registrations relating to your use of any of the Marks
8. immediately cease using Confidential Information and return to us all documents, including those documents in electronic format, that contain Confidential Information
9. cease using and transfer to us all Customer Data; and
10. comply with all other applicable provisions of this Agreement, including the non-compete provisions.

Upon termination of this Franchise Agreement for any reason, your right to use the name DDH and the other Marks and the System will immediately terminate, and you (and the Principal Owners) will not in any way associate yourself/themselves as being associated with us. If you fail to remove all signs and other materials bearing all or any portion of the Marks, we may do so at your expense.

B. Our Option To Purchase Franchised Business. If this Agreement expires or is terminated for any reason (other than our fault), we have the option, upon 30 days' written notice from the date of expiration or termination, to purchase from you any or all the tangible and intangible assets relating to the Franchised Business, including the Franchised Business premises if you own the Franchised Business premises (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the "Purchased Assets") and to an assignment of your lease for (1) the Franchised Business premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the Franchised Business. If the landlord respecting the lease for the Franchised Business premises is an affiliate of you (controlling, controlled by or under common control with you) we will have the right to assume the lease on terms generally consistent with then-current market rates for space in the immediate area surrounding the Franchised Business location. We may assign to a third party this option to purchase, and assignment of leases separate and apart from the remainder of this Agreement. While we have the option to have the lease for the Franchised Business premises assigned to us, we do not have the obligation to take over the lease for the Franchised Business premises.

The purchase price for the Franchised Business will be the fair market value of the Purchased Assets; provided that: (1) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (2) we may exclude from fair market value any provision for goodwill or similar value attributable to intangible property (such as the Marks and Confidential Information). If the parties cannot agree on fair market value within a reasonable time, we will designate an independent appraiser to determine the fair market value of the Purchased Assets. The determination of such appraiser will be binding on the parties hereto, and the costs of such appraisal will be divided equally between you and us. The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur within a reasonable time, not to exceed 60 days, after the fair market value is determined. At the closing, you will deliver documents transferring good and merchantable

title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate the Franchised Business without interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase the Franchised Business, we may, pending the closing, appoint a manager to maintain Franchised Business operations.

If we assume the lease for the Franchised Business under this Section, you will pay, remove or satisfy any liens or other encumbrances on your leasehold interest and will pay in full all amounts due the lessor under the lease existing at or prior to assumption. We are not liable for any obligation you incur before the date we assume the lease.

C. Continuing Obligations. All obligations of us and you which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire.

## 19. DISPUTE RESOLUTION

A. Mediation. Except as otherwise stated in this Section 19(A), the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between you and us, agreed upon by the parties. If the parties do not agree on a mediator or mediation services organization within fifteen (15) days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, in the county where our headquarters is located. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within sixty (60) days after conferring with the mediator, either party may submit such claim, controversy for binding arbitration as described in Section 19(B) below. We may bring an action under the applicable provisions of this Section 19, without first submitting the action to mediation under this Section 19(A), for injunctive relief or for monies you owe us.

B. Arbitration. Except to the extent we elect to enforce the provisions of this Agreement by injunction as provided in Section 19(C) below, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including validity or enforceability of this Agreement or any provisions hereof, claims of fraud in the inducement, and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 19(A) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in the county where our headquarters is located. The proceedings will be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The arbitrator will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The decision of the arbitrator will be final and binding on all parties; provided, however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award that extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance we establish. Any arbitration proceeding will be limited to controversies between you and us, and will not be expanded to include any other DDH franchisee or include any class action claims. This Section 19 will survive termination or nonrenewal of this Agreement. Judgment upon the award of an

arbitrator may be entered in any court having jurisdiction thereof. During any arbitration proceeding, we and you will fully perform our respective obligations under this Agreement. The parties agree that all arbitration proceedings, including any arbitration award or ruling, will be confidential in nature, except as otherwise required by law or court order or as necessary to confirm, vacate or enforce the award and for disclosure in confidence to the parties' respective attorneys and tax advisors.

C. Injunctive Relief. Notwithstanding Sections 19(A) and (B) above, you recognize that a single franchisee's failure to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all other DDH businesses. Therefore, if you breach or threaten to breach any of the terms of this Agreement, then, to the greatest extent permitted by applicable law, we will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual or irreparable damage and without the need to post bond for security, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrator.

A. Venue. Subject to the provisions of Sections 19(A) and 19(B) above, any cause of action, claim, suit or demand allegedly arising from or related to this Agreement or the relationship of the parties must be brought exclusively in any state or federal court of competent jurisdiction located in Montclair, New Jersey. We also have the right to file any such suit against you in the federal or state court where the Franchised Business is located. Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action, and you and your Principal Owners waive any and all rights to proceed on a consolidated, common, or class basis. Each of us and you irrevocably consent to the jurisdiction of such courts and waive all rights to challenge personal jurisdiction and venue.

D. Governing Law. Subject to our rights under federal trademark laws, this Agreement will be governed by and construed under the procedural and substantive laws of the state of New Jersey, without regard to any conflict of laws principles of such state. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which the Franchised Business is located.

E. Attorneys' Fees. The non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

F. Claims. You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or your Franchised Business after the shorter period of the applicable statute of limitations or one year following the effective date of termination of this Agreement; provided that where the one year limitation of time is prohibited or invalid under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

## 20. ENFORCEMENT

A. Severability. All provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination or non-renewal of this Agreement than is required, or the taking of some other action not required, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

B. Waiver of Obligations. Our waiver of any breach by you, or our delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights respecting that or any other breach. In addition, acceptance by us of any payments or partial payments due to us under this Agreement shall not be deemed a waiver by us of any preceding or succeeding breach by you of any terms, provisions, covenants, or conditions of this Agreement, or other amounts due.

C. Rights of Parties are Cumulative. The rights that we and you have are cumulative and no exercise or enforcement by either party of any right or remedy precludes such party from exercising or enforcing any other right or remedy to which such party is entitled by law or equity to enforce.

D. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both you and us. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

E. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

1. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute, and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

2. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise "reasonable business judgment" in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of "reasonable business judgment," even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other of our individual interests. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither you nor any third party (including a trier of fact) will substitute their judgment for our reasonable business judgment.

F. WAIVER OF PUNITIVE DAMAGES. YOU AND WE AND OUR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN US, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

G. WAIVER OF JURY TRIAL. YOU AND WE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

H. Force Majeure. If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a

breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, pandemics, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

I. Notice of Our Potential Profit. We advise you that we and/or our affiliates periodically may make available to you goods, products and/or services for use in the Franchised Business on the sale of which we and/or our affiliates may make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to you or in consideration for services provided or rights licensed to such persons. You agree that we and our affiliates will be entitled to such profits and consideration.

J. Entire Agreement. This Agreement, including all Exhibits, represent the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in this Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document we provided to you.

K. Counterparts. This Agreement may be signed in multiple counterparts, and the signature pages may be exchanged between the parties via facsimile or email, and all of which, when taken together, will constitute one original Agreement. A fully signed copy of this Agreement will have the same force and effect as the original.

## 21. NOTICES

All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be delivered by hand, sent by a recognized overnight delivery service or by registered U.S. Mail, electronic mail, or by other means which provides the sender with evidence of delivery, or of rejected delivery, and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party. Any notice by a means which provides the sender with evidence of delivery, or rejected delivery, will be deemed to have been given at the date and time of receipt or rejected delivery. If delivered by electronic mail, it must appear with “Legal Notice” as the first words in the subject line and, when the recipient, by an email sent to the email address for the sender stated below or by a notice delivered by another method in accordance with this Section, acknowledges having received the notice email. The request for or receipt of an automatic “read receipt” will not constitute acknowledgment of receipt of the notice email for purposes of this Section 21.

## 22. ACKNOWLEDGEMENTS

A. Success of Franchised Business. The success of the business venture you intend to undertake under this Agreement is speculative and depends, to a large extent, upon your (or the Principal Owner’s) ability as an independent businessman, and your active participation in the daily affairs of the Franchised Business as well as other factors. We do not make any representation or warranty, express or implied, as to the potential success of the business venture.

B. Independent Investigation. You acknowledge that you have entered into this Agreement after making an independent investigation of our operations and not upon any representation as to gross revenues, volume, potential earnings or profits which you might be expected to realize, nor has anyone made any other representation, which is not expressly stated herein, to induce you to accept this franchise and sign this Agreement.

C. Receipt of Documents. You represent and acknowledge that you have received our Franchise Disclosure Document at least 14 calendar days before the date of the execution of this Agreement. In addition, you represent and acknowledge that you received from us a copy of this Agreement with all material blanks filled in at least 7 calendar days before the date of execution of this Agreement. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with any attorney or other professional advisor. You further represent that you understand the provisions of this Agreement and agree to be bound.

D. Other Franchises. You acknowledge that our other franchisees of the Company have or will be granted franchises at different times and in different situations and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement.

The parties have signed this Agreement on the date stated in the first paragraph.

**COMPANY/US:**

**FRANCHISEE/YOU:**

**DDH FRANCHISING, LLC**

\_\_\_\_\_

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

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

**EXHIBIT A**  
**TO FRANCHISE AGREEMENT**  
**FRANCHISED BUSINESS LOCATION AND PROTECTED TERRITORY**

**EXHIBIT A**

**FRANCHISED BUSINESS LOCATION, PROTECTED TERRITORY  
AND INITIAL FRANCHISE FEE**

1. Franchised Business Location. The Franchised Business will be located at the following premises, which is located inside the Protected Territory(ies):  
\_\_\_\_\_.

If the premises for the Franchised Business has not been designated as of the Effective Date, we will update this Exhibit A to include the address for the Franchised Business premises once determined.

2. Protected Territory. The Protected Territory includes the following protected territories:

**Protected Territory #1.** \_\_\_\_\_

**Protected Territory #2.** \_\_\_\_\_

**Protected Territory #3.** \_\_\_\_\_

**Protected Territory #4.** \_\_\_\_\_

3. Designated Owner. The Designated Owner is: \_\_\_\_\_.

4. Initial Franchise Fee. The Initial Franchise Fee is equal to \$\_\_\_\_\_.

5. Minimum Local Advertising Spend Requirement. The Minimum Local Advertising Spend Requirement is \$\_\_\_\_\_ per calendar month (\$2,250 per Protected Territory, with a cap of \$85,000 annually for up to four Protected Territories).

6. Minimum Performance Requirement.

<b>Time Period</b>	<b>Annual Gross Revenue Minimum Performance Requirement Per Protected Territory</b>	<b>Total Annual Gross Revenue Minimum Performance Requirement for all Protected Territories</b>
Third Calendar Year	\$100,000	
Fourth Calendar Year	\$150,000	
Fifth Calendar Year and Subsequent Calendar Years	\$200,000	

7. Defined Terms. All capitalized terms contained in this Exhibit A and not defined herein will have the same meaning as provided in the Franchise Agreement.

**EXHIBIT B**  
**TO FRANCHISE AGREEMENT**  
**ELECTRONIC TRANSFER OF FUNDS FORM**

**EXHIBIT B TO FRANCHISE AGREEMENT**

**ACH AUTHORIZATION**

Date: \_\_\_\_\_, 20\_\_

I, the undersigned officer of \_\_\_\_\_ (“Franchisee”), hereby authorize DDH Franchising, LLC to withdraw or deposit funds, utilizing the following account, by ACH draft or electronic debit for payment or receipt of funds relating to Royalty Fees, Technology Fees, system marketing fees, contributions or payment of goods or services. If Franchisee has not established an account for ACH/debit payments as of the execution date of the Franchise Agreement, Franchisee agrees to provide to DDH Franchising, LLC the missing information before commencement of the initial training program.

Name on the Account:

Address:

City, State, Zip:

Bank Routing Number:

Bank Account Number:

E-mail Confirmation:

Signature: \_\_\_\_\_

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

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

**EXHIBIT C**  
**TO FRANCHISE AGREEMENT**  
**GUARANTY AND ASSUMPTION OF OBLIGATIONS AGREEMENT**

## EXHIBIT C

### GUARANTY AND ASSUMPTION OF OBLIGATIONS AGREEMENT

In consideration of the execution of the Franchise Agreement all dated \_\_\_\_\_ (collectively, the “Agreements”) by DDH Franchising, LLC (collectively, “we” or “us”), each of the undersigned (a “Guarantor”) personally and unconditionally guarantees to us, and our successors and assigns, for the term of the Agreements and thereafter as provided in the Agreements that \_\_\_\_\_ (the “Franchisee”) will timely pay and perform each and every undertaking, agreement and covenant stated in the Agreements; and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreements.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability.

Each Guarantor consents and agrees that:

(1) Guarantor’s liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, Franchisee and Franchisee’s other Guarantors

(2) Guarantor will make any payment or perform any obligation required under the Agreements upon demand if Franchisee fails to do so

(3) Guarantor’s liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of Franchisee or any assignee or successor

(4) Guarantor’s liability will not be diminished, relieved or otherwise affected by any extension of time or credit which we may grant to Franchisee, including the acceptance of any partial payment or performance, or the compromise or release of any claims

(5) We may proceed against Guarantor and Franchisee jointly and severally, or we may, at our option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee or any other Guarantor

(6) Guarantor will be personally bound by each and every condition and term contained in the Agreements, including but not limited to the non-compete provisions in Section 14 and the dispute resolution provisions contained in Section 19 of the Franchise Agreement; and

(7) Guarantor will pay all reasonable attorneys’ fees and all costs and other expenses we incur in enforcing this Guaranty and Assumption of Obligations Agreement (this “Guaranty Agreement”) against Guarantor or any negotiations relative to the obligations hereby guaranteed.

Guarantor(s) agree that the following Sections of the Franchise Agreement apply to Guarantor(s) and to this Guaranty Agreement: Section 20(A) (Survival); Section 19(D) (Attorneys' Fees); Section 20(B) (Waiver of Obligations); Section 19(A) (Venue); Section 19(B) (Governing Law); Section 19(C) (Injunctive Relief); Section 19(E) (Claims); Section 20 (F) (Waiver of Punitive Damages); Section 20(G) (Waiver of Jury Trial); Section 20(D) (Binding Effect); Section 20(E) (Interpretation of Rights and Obligations); Section 20(J) (Entire Agreement); and Section 21 (Notices).

Each of the undersigned has signed this Guaranty Agreement as of the same day and year as the Agreements were executed.

**GUARANTOR(S) (PERCENTAGE OF OWNERSHIP)**

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

**GUARANTOR(S) (SPOUSES)**

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\_\_\_\_\_

\_\_\_\_\_

**EXHIBIT D**  
**TO FRANCHISE AGREEMENT**  
**STATE-SPECIFIC FRANCHISE AGREEMENT ADDENDA**

## CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

The Franchise Agreement requires application of the laws of New Jersey. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in New Jersey with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

GEORGIA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum will pertain to franchises sold in the State of Georgia and will be for the purpose of complying with Georgia statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement will be amended to include the following:

1. Section 3.1 of the Franchise Agreement is amended to provide that we will retain fifteen percent (15%) of the total Initial Franchise Fee. The remaining balance of eighty-five percent (85%) of the total Initial Franchise Fee, will be placed in escrow with the following independent escrow agent (the "Escrowed Amount"):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
acct #: \_\_\_\_\_

The entire Escrowed Amount will be due and payable to us 60 days after the date the Store is opened. The Initial Franchise Fee is fully earned and nonrefundable. If the Franchise Agreement terminates before the date the Store is open due to your breach of the Franchise Agreement, the entire escrowed amount, 85% of the Initial Franchise Fee, will be paid to us.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

1. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

2. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

3. 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 in connection with the franchise.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Illinois law governs the Franchise Agreement.

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

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

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

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

## MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

## MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

## NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any release executed in connection with a renewal shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

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

The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

The requirement that arbitration be held outside the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. Any mediation or arbitration will be held at a site agreeable to all parties.

The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement states that franchisee must consent to the jurisdiction of courts located outside the State of North Dakota. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

“According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

## **WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

**2. Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement 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 that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

**3. Site of Arbitration, Mediation, and/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 in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or 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 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.

**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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations 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.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**ATTACHMENT C**

**TO DDH FDD**

**LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, 2025**

*None.*

**LIST OF FRANCHISEES THAT HAVE SIGNED A FRANCHISE AGREEMENT BUT HAVE NOT YET OPENED THEIR FRANCHISED BUSINESS AS OF DECEMBER 31, 2025**

*None.*

## **LIST OF FORMER FRANCHISEES AS OF DECEMBER 31, 2025**

List of franchisees who transferred an outlet(s) or had an outlet(s) terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the 12- month period ending December 31, 2025, or who has not communicated with us within 10 weeks of the date of this Franchise Disclosure Document:

*None.*

If you buy this franchise, your contact information may be disclosed to other buyers when you transfer an outlet(s) or had an outlet(s) terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement.

**ATTACHMENT D  
TO DDH FDD  
STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Connecticut	The Banking Commissioner The Department of Banking Securities and Business Investment Division	260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division; Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 <sup>st</sup> Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner (Agent) North Dakota Securities Department	600 East Boulevard Avenue State Capitol, 14th Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

**ATTACHMENT E**  
**TO DDH FDD**  
**STATE ADDENDA TO THE FDD**

## CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

### Item 3, Additional Disclosure:

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

### Item 6, Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually.

### Item 17, Additional Disclosures:

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

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

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

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

The franchise agreement requires binding arbitration. The arbitration will occur in New Jersey with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

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.

## GEORGIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

This Addendum will pertain to franchises sold in the State of Georgia and will be for the purpose of complying with Georgia statutes and regulations. Item numbers correspond to those in the main body.

### Items 5 and 7, Additional Disclosure

Notwithstanding anything in Items 5 and 7 to the contrary, for Georgia franchisees, the Initial Franchise Fee is payable as follows: (1) 15% payable to us when you sign the Franchise Agreement; and (2) 85% payable into an escrow account that will be opened with an independent escrow agent, upon your execution of the Franchise Agreement. The Initial Franchise Fee is fully earned and nonrefundable. The escrowed amount, which will equal 85% of the Initial Franchise Fee, will be paid from the escrow account to us 60 days after the Opening Date. If the Franchise Agreement terminates before you open the Business due to your breach of the Franchise Agreement, the entire escrowed amount, 85% of the Initial Franchise Fee, will be paid to us.

## HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

## ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

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

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

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

### Franchisee Acknowledgment / Compliance Certification:

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.

## MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

### Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

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

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

### Franchisee Acknowledgment / Compliance Certification:

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.

## MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

### State Cover Page and Item 17, Additional Disclosures:

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

### Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of \$30 on service charges.

### Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

### Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subs. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure), 180 days' notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

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

## NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. The following information is added to the Cover Page, Additional Disclosure of the Franchise Disclosure Document.

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

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending

action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

#### Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

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

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

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at

the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH CAROLINA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

## NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. Any mediation or arbitration will be held at a site agreeable to all parties. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel or waiver of any liability franchisor may have incurred under the North Dakota Franchise Investment Law.

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

The Franchise Agreement includes a waiver of exemplary and punitive damages. This waiver may not be enforceable under North Dakota law.

The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This waiver may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement state that franchisee must consent to the jurisdiction of courts outside that State of North Dakota. That requirement may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement may require franchisees to consent to termination or liquidated damages. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

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, franchisee

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.

RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

Item 17, Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

SOUTH CAROLINA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The State of South Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

SOUTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

## VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

### Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 *et. seq.*).

“According 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.”

### Franchise 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.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE  
FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

**2. Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement 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 that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

**3. Site of Arbitration, Mediation, and/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 in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or 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 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.

**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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations 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.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

FRANCHISOR:  
DDH FRANCHISING, LLC

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

## WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

### Item 17, Additional Disclosures:

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

**ATTACHMENT F**  
**TO DDH FDD**  
**GENERAL RELEASE FORM**

**RELEASE OF CLAIMS**

**NOTE TO THE PROSPECTIVE FRANCHISEE: THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT. THIS FORM IS SUBJECT TO CHANGE OVER TIME.**

**NOTE TO WASHINGTON PROSPECTIVE FRANCHISEES: THIS RELEASE DOES NOT APPLY WITH RESPECT TO CLAIMS ARISING UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER.**

For and in consideration of the Agreements and covenants described below, DDH Franchising, LLC (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) enter into this Release of Claims (“Agreement”).

**RECITALS**

A. Franchisor and Franchisee entered into an DDH™ Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_.

B. [NOTE: Describe the circumstances relating to the release.]

**AGREEMENTS**

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release.** Franchisee hereby releases Franchisor, its officers, directors, shareholders, members, managers, and agents, and their respective successors, assigns, heirs, and personal representatives, from all debts, representations, agreements, liabilities, actions, and causes of action of every kind and nature arising out of or relating to the Franchise Agreement between Franchisor and Franchisee, the offer and sale of that franchise and the franchise relationship between the parties.

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of \_\_\_\_\_ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

**FRANCHISEE:**

\_\_\_\_\_

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

Its: \_\_\_\_\_

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

**FRANCHISOR:**

**DDH FRANCHISING, LLC**

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

Its: \_\_\_\_\_

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

**ATTACHMENT G**

**TO DDH FDD**

**MANUALS TABLE OF CONTENTS AND TOTAL NUMBER OF PAGES PER SECTION**

**[See attached.]**



# OPERATIONS MANUAL TABLE OF CONTENTS

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## **SECTION 1: INTRODUCTION**

**1-15**

- 1.1 Welcome Letter
- 1.2 Introduction to the Franchise Operations Manual
- 1.3 Independent Franchise Operation
- 1.4 DHH History
- 1.5 The DHH Culture, Mission and Vision
- 1.6 Franchisor and Franchisee Relationship
- 1.7 Training
  - 1.7.1 Scheduling Initial Training
  - 1.7.2 Training Outline
- 1.8 Confidentiality of the Operations Manual
  - 1.8.1 Nondisclosure Agreement Information
- 1.9 Privacy and Artificial Intelligence (AI)
- 1.10 Keeping the Manual Current
- 1.11 Facilitating the Opening Checklist

## **SECTION 2: ESTABLISHING THE BUSINESS**

**16-36**

- 2.1 Business Overview
  - 2.1.1 Business Structure
  - 2.1.2 Overview of Entity Choices
  - 2.1.3 Naming Your Entity
  - 2.1.4 Employer Identification Number
  - 2.1.5 Setting Up Banking Relationships
- 2.2 License, Permits and Taxes
  - 2.2.1 Introduction
  - 2.2.2 Business Licenses and Permits
  - 2.2.3 Tax Registrations and Payments
  - 2.2.4 State Information Web Sites
- 2.3 Setting Up Your Office
  - 2.3.1 Office and Storage Requirements
  - 2.3.2 Required Furnishings and Equipment
  - 2.3.3 Utilities/Supplies
  - 2.3.4 Initial Inventory and Supplies
  - 2.3.5 List of Approved Suppliers
- 2.4 Networking and Establishing Relationships
- 2.5 Insurance Coverage
  - 2.5.1 General Insurance Requirements
  - 2.5.2 Minimum Coverage Amounts

## **SECTION 3: PERSONNEL**

**37-54**

- 3.1 Introduction
- 3.2 Joint Employment



## OPERATIONS MANUAL TABLE OF CONTENTS

---

- 3.3 Employment Law Basics
  - 3.3.1 Employee Rights/Employer Responsibilities
  - 3.3.2 Federal Regulations on Employment Relationships
  - 3.3.3 State Employment Laws
  - 3.3.4 OSHA
- 3.4 Job Descriptions
  - 3.4.1 Job Responsibilities
- 3.5 Recruiting Employees
  - 3.5.1 Sources of Employee Candidates
  - 3.5.2 Job Advertisements
- 3.6 Job Applications
  - 3.6.1 Application Form
  - 3.6.2 Confidentiality of Applications
- 3.7 Interviewing Job Applicants
  - 3.7.1 Preparing for Interviews
  - 3.7.2 Conducting Successful Interviews
  - 3.7.3 Questions to Avoid
- 3.8 New Employee Paperwork
- 3.9 Employee Orientation
- 3.10 New Employee Training
- 3.11 Personnel Policies
- 3.12 Employee Scheduling
- 3.13 Performance Evaluations
- 3.14 Terminating Employees

### **SECTION 4: MARKETING THE BUSINESS**

**55-80**

- 4.1 Promoting the Business in Your Area
  - 4.1.1 Your General Obligations
  - 4.1.2 Educating the Public
  - 4.1.3 Guidelines for Using Logos and Marks
  - 4.1.4 Marketing Standards
  - 4.1.5 Website and Web Design
- 4.2 Brand Specifications
  - 4.2.1 Logo
  - 4.2.2 Brand Standards
  - 4.2.3 Electronic Media
- 4.3 Obtaining Marketing Approval
- 4.4 Required Marketing Expenditures
  - 4.4.1 System Marketing
  - 4.4.2 Local Marketing Requirements
- 4.5 Local Marketing
  - 4.5.1 Planning and Budgeting



- 4.5.2 Internet Advertising
- 4.5.3 Social Media
- 4.5.4 Referral Marketing
- 4.5.5 Guerilla Marketing
- 4.5.6 Print and Flyers
- 4.5.7 Event Marketing
- 4.5.8 Networking
- 4.5.9 Email, Text, & Newsletters
- 4.5.10 Direct Mail
- 4.5.11 Other Traditional Tactics
- 4.6 Public Relations and Community Involvement
  - 4.6.1 Press Release
  - 4.6.2 Community Building
  - 4.6.3 Associations and Business Networking
  - 4.6.4 Launch Marketing

**SECTION 5: OPERATING PROCEDURES**

**81-120**

- 5.1 Introduction
- 5.2 Minimum Hours of Operations
- 5.3 Sales Procedures
- 5.4 Approved Products and Services
- 5.5 Operating Procedures
- 5.6 Performing Services
- 5.7 The Importance of Client Satisfaction
  - 5.7.1 The Client Experience
  - 5.7.2 Handling Client Complaints
- 5.8 Operating Software
  - 5.8.1 Setting Up Client Accounts
  - 5.8.2 Billing and Accepting Payment
- 5.9 Accounting and Financial Management
  - 5.9.1 Office Responsibilities
  - 5.9.2 Filing
  - 5.9.3 Suggested Revenue Reports
  - 5.9.4 Banking Procedures
  - 5.9.5 Accounting and Bookkeeping
- 5.10 Cleaning and Maintenance Guidelines
  - 5.10.1 Office
  - 5.10.2 Vehicles
  - 5.10.3 Storage Areas
- 5.11 Safety and Security Procedures
- 5.12 Franchise Fees and Reporting Requirements
  - 5.12.1 Royalty Fee



- 5.12.2 Brand Fund Contribution
- 5.12.3 Other Fees
- 5.12.4 Required Reporting
- 5.12.5 Financial Statements
- 5.12.6 Sample Chart of Accounts

**SECTION 6: LIST OF SUPPORTING DOCUMENTS**

**121-140**

**ATTACHMENT H**  
**TO DDH FDD**  
**DISCLOSURE ACKNOWLEDGMENT AGREEMENT**

## FRANCHISEE DISCLOSURE ACKNOWLEDGMENT AGREEMENT

Applicant \_\_\_\_\_  
State of Incorporation/Formation (if applicable) \_\_\_\_\_  
Address of Applicant \_\_\_\_\_  
Location (Territory) Applied For \_\_\_\_\_

1. I have received all appropriate disclosure documents for the State(s) of \_\_\_\_\_ at least fourteen (14) calendar days, exclusive of the day I received them and the day I signed them, before signing the Franchise Agreement and/or payment of any monies.

2. I have signed and returned to Franchisor the acknowledgment of receipt for each disclosure document given me.

3. I have had an opportunity to read the Franchise Agreement thoroughly and understand all of Franchisor's covenants and obligations and my obligations as a franchisee of the DDH system. I understand that the Franchise Agreement contains all obligations of the parties and that Franchisor does not grant to me under the Franchise Agreement any right of first refusal.

4. I understand that this franchise business, as in all business ventures, involves risk and despite assistance and support programs, the success of my business will depend primarily upon me and my ability. In addition, I understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption.

5. Except for fill in the blank provisions or for negotiated changes that I initiated, I received a copy of the revised Franchise Agreement or related agreement at least seven (7) calendar days before the date on which the Franchise Agreement or related agreement was signed.

6. I understand that Franchisor has a national marketing and promotional program which is not directed towards any specific franchise territory but is intended to benefit the entire DDH system nationwide. I further understand that amounts from the national marketing and promotional fund will be used, among other purposes, to offset in-house expenses incurred in providing marketing services, media planning and network marketing support, and providing market intelligence through analytics to the DDH system.

7. The financial performance figures do not reflect the exact costs of sales, operating expenses, or other 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 the Disclosure Document may be one source of this information.

8. The representations under this Franchisee Disclosure Acknowledgment Agreement are not intended, nor shall they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

9. If I was referred to Franchisor by a franchise broker or referral source, the name of that franchise broker(s) or referral source(s) is \_\_\_\_\_.

10. I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in

the disclosure document. If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None").

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Applicants' Acknowledgment:

Signature: \_\_\_\_\_

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

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

Signature: \_\_\_\_\_

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

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

**ATTACHMENT I**  
**TO DDH FDD**  
**STATE EFFECTIVE DATES AND RECEIPTS**

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	See separate FDD
Connecticut	Pending
Florida	Pending
Georgia	Pending
Hawaii	Pending
Illinois	See separate FDD
Indiana	Pending
Kentucky	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
Nebraska	Pending
North Carolina	Pending
North Dakota	Pending
New York	Pending
Rhode Island	Pending
South Carolina	Pending
South Dakota	Pending
Utah	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If DDH Franchising, LLC (“Franchisor”) offers you a franchise, Franchisor must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Franchisor or its affiliate in connection with the proposed franchise sale. Iowa and New York require that Franchisor gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Franchisor gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If DDH Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Attachment D.

The franchisor is DDH Franchising, LLC located at 543 Valley Road, Suite 7, Montclair, NJ 07042 and 332-230-4919.

Issuance Date: February 27, 2026

The franchise seller involved in offering and selling the franchise to you is:

- Kate Pawlowski or Ann Lightfoot, each located at 543 Valley Road, Suite 7, Montclair, NJ 07042, 332-230-4919;
- Will be provided to you separately before you sign a franchise agreement, or is the following individual (with address and telephone number): \_\_\_\_\_  
\_\_\_\_\_.

Franchisor authorizes the respective state agencies identified on Attachment D to receive service of process for us in the particular state.

I have received a disclosure document dated February 27, 2026, that included the following Attachments:

- |   |   |
|---|---|
| (A) Financial Statements  | (E) State Addenda                       |
| (B) Franchise Agreement   | (F) General Release Form                |
| (C) Current and Former Franchisees                              | (G) Manuals Table of Contents           |
| (D) List of State Administrators; Agents for Service of Process | (H) Disclosure Acknowledgment Agreement |
|   | (I) State Effective Dates and Receipts  |

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

**This copy to be retained by Prospective Franchisee**

**RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If DDH Franchising, LLC (“Franchisor”) offers you a franchise, Franchisor must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Franchisor or its affiliate in connection with the proposed franchise sale. Iowa and New York require that Franchisor gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Franchisor gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If DDH Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Attachment D.

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\_\_\_\_\_.

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| (D) List of State Administrators; Agents for Service of Process | (H) Disclosure Acknowledgment Agreement |
|   | (I) State Effective Dates and Receipts  |

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

**This copy to be returned to DDH Franchising, LLC**