FRANCHISE DISCLOSURE DOCUMENT

DECORATING DEN SYSTEMS, INC.
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DECORATING DEN
INTERIORS®

The franchise offered in this disclosure document is for the rights to an interior decorating business using the DECORATING DEN INTERIORS® System.

The total investment necessary to begin operation of a Decorating Den Interiors franchised business is $51,755 to $73,300. This includes $39,900 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 the Franchise Administration Department at 8659 Commerce Drive, Easton, MD 21601; telephone (410) 822-9001.

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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 13, 2026

How To Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investment 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 locations, 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 the 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 franchisor has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit H.

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

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Special Risks to Consider About This Franchise

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

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

2. **Sales Performance Required.** You must maintain minimum annual sales of $40,000 per year. Your inability to maintain this level may result in termination of your franchise and loss of your investment.

3. **Mandatory Minimum Payments.** You must make minimum royalty of advertising fund payments, regardless of your sales levels. Your inability to make these payments may result in 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.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document (sometimes referred to as the "Disclosure Document"), "we," "us," "our," and "DDSI" mean Decorating Den Systems, Inc., the franchisor. "You" means the person, corporation, partnership, limited liability company or other entity that buys the Franchise. If you are a corporation, limited liability company, partnership or other entity, "you" includes the owners of the entity.

THE COMPANY

DDSI is the franchisor of the franchise program that we describe in this Disclosure Document. Our principal business address is 8659 Commerce Drive, Easton Maryland 21601. Our telephone number is (410) 822-9001.

OUR HISTORY

DDSI was organized under Missouri law on May 23, 1969 under the name "International Drapery Fashions, Inc." On December 22, 1971, we changed our name to "American Drapery Consultants, Inc." On March 15, 1978, we changed our name to Decorating Den Systems, Inc.

We do not have any parent, predecessors, or other affiliates.

In March 1970, we began franchising a custom drapery business offered under the trade name "Aero Drapery." In the spring of 1974, we changed the trade name to "Decorating Den" and began offering a wider range of interior decorating goods and services. In April 2008, we changed the trade name to "DECORATING DEN INTERIORS." For convenience, we refer to these franchises in this Disclosure Document as "DDI Franchises."

We awarded various types of area representative franchises from 1984 to 2013. We awarded Regional Director franchises from 1984 to 1997. We awarded Regional Manager franchises from 1997 to 1998. We awarded District Developer franchises from 2001 to 2008, and in 2012 in select areas. We awarded Master License franchises in select areas from 2009 to 2013.

From December 2011 to January 2014, we test marketed, in parts of Michigan and Ohio only, a franchise program under the name LIVV INTERIOR DESIGNS By Decorating Den. Franchisees that operated under this brand offered similar goods and services to the DDI franchise, and paid similar fees to those paid by DDI Franchisees. We discontinued that program in January 2014, and Franchisees that operated under that brand name began operating under the DECORATING DEN INTERIORS brand name.

From July 2011 to August 2012, we were also in the business of selling home accessories through a direct sales program (primarily home shows) called LIVV! Accents. We discontinued that program in August 2012.

From July 15, 2011 through March 29, 2013, we offered franchises for window products only. From July 20, 2012 through March 29, 2013, we offered franchises that required operation from commercial space over 1000 square feet. We discontinued these franchise offerings on March 29, 2013.

We do not do business under any other name.

DDSI does not operate, and has never operated, company-owned retail outlets, except as follows. From November 2009 to July 2010, we operated a DDI franchise unit from the company's headquarters in Easton, Maryland and offered interior decorating goods and services in the counties of Accomack and Northampton, Virginia; Kent, New Castle and Sussex, Delaware; and Caroline, Dorchester, Kent, Queen Anne, Somerset, and Wicomico, Maryland; and the portion of Talbot County, Maryland within zip codes 21612, 21662 and 21663.

In addition, our affiliate, Jim and Carol Bugg LLC, a Maryland limited liability company formed on June 10, 2013, operated a DDI unit franchise at 10426 Fawcett Street, Kensington, Maryland 20895 from September 1, 2013 until July 1, 2015, when it was sold and became a franchised unit. Its current principal address is 8659 Commerce Drive, Easton, Maryland 21601, and its telephone number is (410) 822-9001.

We currently have no plans to establish additional company-owned outlets or other channels of distribution selling or leasing similar products or services under our trademarks and service marks or under a different name or trademark, but may do so.

DDSI has not granted franchises in any other line of business. DDSI is not the successor to any previously existing franchise sales operation. DDSI has not conducted business in any other line of business or offered franchises in any other line of business, except as we describe in this Item 1.

A DESCRIPTION OF OUR SYSTEM AND THE FRANCHISE OFFERED

This Disclosure Document describes our unit franchise offering for the DDI business. This includes the right to market your business from a single location (the "Designated Location") identified in your Franchise Agreement. Our businesses use the uniform DECORATING DEN INTERIORS System (the "System"), which is a business format we have created and developed.

The DDI franchise involves the retail marketing and sale of a wide range of products and services sold in connection with interior decoration of homes and businesses (collectively, the "Franchised Products and Services"), including custom draperies, drapery hardware, decorative shades and other window treatments; accessories such as decorative pillows; lighting; lighting shades; mirrors; wall art; bathroom accessories; furniture and lighting; bed coverings; bedroom furniture; bookcases and entertainment consoles; dining room furniture; home office furniture; mattresses; occasional/accent furniture; outdoor furniture; upholstered furniture; fabric; wall coverings; floor coverings; other furnishing merchandise; interior decorating services; installation services; customized closets, garage storage and other storage systems; and related labor. DDI

Franchisees operate their business under a mutually-agreed name that must include DECORATING DEN INTERIORS®.

As the owner of a DDI franchise, you enhance the attractiveness of your customer's home or commercial space through the selection of fabrics, colors, window treatment design, furniture, accessories and carpet, and place product orders with suppliers of your choice. You will also arrange for qualified installers to install custom-made draperies, carpeting or other interior decorating products that require skilled installation. If you become a DDI franchisee, we do not require that you offer all of the Franchised Products and Services.

DDI Franchisees (including their employees or third-party contractors) generally make retail sales at the customer's location on an appointment basis. The franchised business does not require an investment in inventory or a sewing workroom, because sales generally are made upon presentation of samples, catalogs or brochures. The supplier generally manufactures and ships the finished product to you or your receiver, who will warehouse the products until delivery to the customer. Smaller items may be shipped directly to you. Therefore, we do not require that you have a commercial location, and most DDI franchisees operate from their homes. However, some DDI Franchisees have elected to operate from fixed commercial locations.

APPLICABLE REGULATIONS

The Federal Trade Commission (FTC) and some states have consumer protection laws and regulations that apply to the sale of products and services at a consumer's residence. The laws and regulations would apply to the operation of your DECORATING DEN INTERIORS business. These laws and regulations generally provide that the consumer has the right to cancel the contract for products and services within a specified number of days following the date the contract was signed and that a notice of the consumer's cancellation rights must be included in the contract.

Some states have licensing requirements (i) to use the term "interior designer", "registered interior designer" or "certified interior designer" or to perform certain interior decorating activities; or (ii) to install or contract for the installation of carpet, tile and window coverings. In addition, state or local governments may introduce new legislation, approve pending bills or enact new laws or regulations that may impact your ability to operate your DECORATING DEN INTERIORS business without a specific license. The federal government has instituted laws pertaining to anti-terrorism and the USA Patriot Act that require strict compliance by all businesses. Regardless of any information that you may receive from us, you are responsible for investigating and confirming whether any laws, regulations or licensing requirements apply to the operation of your DECORATING DEN INTERIORS business, including existing, pending or future laws and regulations. You must operate your business in full compliance with these laws.

THE MARKET FOR OUR SERVICES

The market for the services of a DECORATING DEN INTERIORS franchised business is both well developed and competitive. You must compete with a variety of interior decorating professionals and a variety of vendors of competitive home or business/commercial furnishings services. The System offers you the competitive advantage of bringing samples and catalogs directly to the customer's home, office, or commercial establishment.

FIELD MENTORS

We have organized the country into a number of separate geographic regions and districts to provide certain franchise sales or support services, and have awarded various types of area representative franchises. We have appointed Master Licensees in some of these regions, Regional Directors in some other regions, Regional Managers in some other regions, and District Developers in the districts. We refer in this Disclosure Document to all four of these personnel classifications collectively as "Field Mentors."

All types of Field Mentors provide start-up, education and training, advice, support and other business assistance to the franchisees in their region or district. In addition, we have licensed Regional Directors and Master Licensees to sell our franchises in their region. We do not license Regional Managers and District Developers to sell our franchises.

If you are in a region where we have licensed a Regional Director to offer franchises, you will sign a "three-party" Franchise Agreement. A three-party Franchise Agreement means that you, the Regional Director, and DDSI must all sign the Franchise Agreement. In other regions, you and we will sign the Franchise Agreement. Master Licensees, Regional Managers and District Developers are not a party to other franchisees' DDI Unit Franchise Agreements in their regions or districts.

A principal distinction between the Master Licensee and the Regional Director is that the Region of the Master Licensee will ordinarily be smaller than the Region of the Regional Director.

Exhibit A includes additional disclosure information about our Field Mentors, if any, in your state.

FRANCHISEE REFERRALS

If an existing franchisee in the System refers to us a person who subsequently purchases a franchise we may offer a modest courtesy compensation, in accordance with our current system-wide policies, as a way of showing our appreciation.

AGENTS FOR SERVICE OF PROCESS

Our agent for service of process is Mr. James S. Bugg, Jr. His principal business address is 8659 Commerce Drive, Easton, Maryland 21601. Exhibit H lists the names and addresses of additional agents for service of process.

ITEM 2

BUSINESS EXPERIENCE

The location of employment of each of the following is 8659 Commerce Drive, Easton, Maryland 21601 unless otherwise indicated.

Director; President and Chief Executive Officer: JAMES S. BUGG, JR.

Mr. Bugg has been our President and Chief Executive Officer of Decorating Den Systems, Inc. since July 2008. Mr. Bugg has also served as our President and Chief Executive Officer from September 1994 to October 2007, and as Vice Chairman of the Board and CEO from October 2007 to July 2008. Mr. Bugg has also been a director of DDSI since January 1988.

Chief Financial Officer: LAWSON SHARP

Mr. Sharp has provided certain accounting services to DDSI and has acted as its Chief Financial Officer under a consulting agreement since April 1, 2010.

Senior Vice President, Merchandising and Marketing: DAVID R. HASELEY

Mr. Haseley has been our Senior Vice President, Merchandising and Marketing since December 12, 2017. Mr. Haseley was Vice President, Merchandising from May 15, 2011 to December 12, 2017.

Vice-President, Ratail Sales and Support: SUE PELLEY

Ms. Pelley has served as our Vice-President of Retail Sales and Support since May, 2025. From January, 2021 to May, 2025 she served as a Field Mentor in our franchise system.

National Franchise Development Manager: KEVIN ROONEY

Mr. Rooney has been our National Franchise Development Manager since June 22, 2015. From November 2012 to June 22, 2015, Mr. Rooney was a Franchise Development Executive for DDSI.

Director, Treasurer, and Corporate Operations Manager and Events Coordinator: DARLENE BUGG

Ms. Bugg has been our Treasurer since April 2010 and has also been Corporate Operations Manager and Events Coordinator of DDSI for over 29 years. Ms. Bugg has been a director of DDSI since December 21, 2021.

FIELD MENTORS

DDSI has appointed a Field Mentor who provides you with start-up and ongoing services in your region, as discussed in Item 1. Exhibit A to this Disclosure Document includes the

principal occupation and business experience during the last five years of our Field Mentors, if any, in your state.

We will assign you a Field Mentor that is either an experienced franchisee or a corporate employee to provide you with start-up and ongoing services.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

The Initial Franchise Fee for a DDI franchise is $39,900 unless you qualify for and participate in one of our discounted programs that we describe below. All discount offerings are under the sole discretion of DDSI, You pay the Initial Franchise Fee at the time you sign the Franchise Agreement. In certain circumstances, as described in Item 10, we may offer financing of a portion of the Initial Franchise Fee to qualified franchisees.

DDSI is a member of the International Franchise Association ("IFA") and participates in the IFA's VetFran Program. We offer a reduced Initial Franchise Fee of $35,900 for DDI Franchisees who are veterans of the United States armed forces and who meet the requirements of the VetFran Program.

Under our To The Trade Program, we offer applicants meeting 3 different criteria a reduced Initial Franchise Fee of $29,900: (1) a converting window covering or interior decorating/design business owner that generated over $100,000 or more in gross sales during the previous 12 months and who, in our estimation, will continue to do so, (2) any interior decorator/designer or similar industry professional that generated over $100,000 or more in gross sales during the previous 12 months, and who will continue to do so in our estimation, or (3) any Professional Member of ASID (American Society of Interior Designers).

Under our Educational Credit Program, we offer applicants with a 2- or 4- year degree in interior design or a related field from an accredited institution of higher learning a reduced Initial Franchise Fee of $34,900. For this purpose, "accredited institution" means an institution of post-secondary education listed on the U.S. Department of Education's Database of Post Secondary Institutions and Programs.

We may discontinue the To The Trade Program and the Educational Credit Program at any time.

You may participate in only one of these Programs. Details about applicant qualifications for these programs are available on request.

We earn the Initial Franchise Fee in full when you and we both sign the Franchise Agreement. The Initial Franchise Fee is not refundable.

The Initial Franchise Fee was uniform during the prior fiscal year as to all new franchises. However, the amount of the Initial Franchise Fee has changed over time, and, therefore, not all Franchisees currently in the system have paid the same Initial Franchise Fee.

ITEM 6

OTHER FEES*

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Service Fees (Note 1)	9% - 7% of Gross Sales (Note 2)	15th and last day of the month	Service Fees initially are 9% of Gross Sales and may decrease based upon the cumulative level of Gross Sales that you achieve
National Brand Fund Contribution (Note 3)	4% - 1% of Gross Sales or $100/month minimum	15th and last day of the month	NBF fees are reduced based on your sales volume (See Note 3)
Technology Fee (Note 4)	$100/month	1st day of each month	Fee may be changed on 30 days' prior notice
Insufficient Funds Fee	$25 for each payment returned for insufficient funds	As Incurred	See Note 1

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Interest (Note 5)	1.5% per month, or maximum rate allowed by law	As Incurred	Imposed if you do not pay fees timely
Late Fee (Note 5)	$50 for each report of Gross Sales that you do not file on time	As Incurred	Imposed only if you do not file Gross Sales reports on time
Audit Fees (Note 5)	Varies (cost of audit ranges from $1,000 to $3,000)	As Incurred	See Note 5
Transfer Fee	$10,000	At the time of a transfer	Applies only when you sell or transfer your business
Resale Assistance Fee (Note 6	$10,000	At the time of a transfer	Applies only when we find the buyer
Annual Conference and Additional Training	$1,500 to $3,500	As arranged	Estimated cost of travel and living expenses for optional attendance at annual convention and regional training meetings
Training Fee (Note 7)	$1,200 per additional person	Prior to attendance at DDIU	Applies only if additional people attend initial training
Cooperative Advertising	As determined by cooperative	Established by franchisees and paid locally	May be formed when 2 or more franchisees are in a local market
Samples	$500 to $3000per year	C.O.D. or vendor terms. Payable to vendor	As needed. Most samples are ordered from, shipped by and payable to the vendor. DDSI provides initial sample package
Indemnification	Claims and costs incurred by DDSI	When claim is brought against DDSI	You must reimburse DDSI for any liability and costs incurred by same as a result of

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			your operation of business

* This table discloses recurring or isolated fees, payments, or costs you must pay DDSI or others, during your business relationship with us. The fees described in this item are uniformly imposed on all persons currently acquiring a franchise and are not refundable.

NOTES:

1. Under our current policy, if you qualify, you will pay a service fee based upon a percentage of your Gross Sales as shown in the table below:

CUMULATIVE GROSS SALES (on which Service Fees have been paid)	SERVICE FEE PERCENTAGE
$0 – 1,000,000	9%
$1,000,001 - 2,000,000	8%
OVER $2,000,000	7% Permanently

Under our current Service Fee Cap policy, the service fees that you pay will not exceed $55,000 per calendar year. Under this policy, we may increase the cap by 5% each calendar year in following years, and we may terminate the cap at any time.

In addition, DDSI may increase the cumulative gross sales levels (shown in the column on the left in the above table) to achieve a reduction in the service fee percentage once each calendar year by an amount not to exceed the CPI increase during the immediately preceding calendar year.

We invoice Service Fees on the 15th and last day of each calendar month throughout the term of the Franchise Agreement and you will pay DDSI as stated in Section 7.1b of the Franchise Agreement. If you do not timely pay Service Fees or any other amount due us, you must pay us the total amount that is due plus the greater of (i) $50 or (ii) interest on the delinquent amount at a rate that is the lesser of 1.5% per month or the maximum rate allowed by law. In addition, you must pay DDSI's reasonable attorney's fees and court costs incurred in the collection of any payment or fee that is overdue. You must pay us Service Fees by automatic electronic payment from your bank. Service Fees are non-refundable. You must pay a fee of $25.00 for each payment you submit to us that is not honored or that is returned for insufficient funds. The term "Gross Sales" in general means the total amount billed in your retail sales orders, either oral or written, including any installation fees, freight, or other items billed to

the customer, but does not include any sales tax, discounts, cancellations or returns allowed. See Section 3.5 of the Franchise Agreement for the definition of this term.

2. If you qualify for and participate in our To The Trade Program, we will credit your gross sales of home furnishings products and services during the prior 3 years towards your cumulative gross sales for determining the Service Fees that you will pay DDSI.

3. Under our NBF Fee Reduction Program, the NBF Fee will be calculated as follows:

Annual Gross Sales	NBF Fee
$0 - $200,000	4%
$200,000.01 to $300,000	3%
Over $300,000	1%

DDSI may change or eliminate the NBF Fee Reduction Program at any time after 30 days' notice.

We invoice the NBF Contribution throughout the term of the Franchise Agreement, and you will pay DDSI as stated in Section 7.1b of the Franchise Agreement. The monthly minimum NBF Contribution begins on the first day of the second full month following completion of DDIU or you complete your first sale, whichever comes first.

We may change the minimum monthly NBF Fee once a year based on the increase in the CPI during the preceding year.

At the end of each month, we reconcile your National Brand Fund (NBF) payments with your monthly Gross Sales. If your NBF payments during a calendar month are less than the monthly NBF minimum, we will charge the balance in the month-end invoice. You must pay us NBF payments by automatic electronic payment from your bank. NBF Contributions are non-refundable.

4. The Technology Fee covers the cost of providing our proprietary technology system called B.O.S.S., which includes a software system that we select for lead management, marketing, project management, communications between franchisees and corporate staff, and the cost of providing support. We invoice the Technology Fee beginning on the first day of the first full calendar month following the date that you sign the Technology License and Support Agreement.

5. DDSI may inspect and audit your books and records at all reasonable times, as more fully described in Section 7.3 of the Franchise Agreement. You must pay all amounts not paid on time together with 1.5% interest per month (or the maximum amount permitted by law, if less) from the date the payment was due until the date we receive the payment. You must also pay a late fee of $50 for each Gross Sales report that you fail to submit timely. In addition, if an audit shows that you have underpaid us by 2% or more, you must reimburse us for all

inspection and audit costs incurred, including all travel, lodging, and wage costs incurred as well as reasonable accounting and legal costs from the inspection.

6. You pay us the Resale Assistance Fee if we generate the prospective purchaser of your business through our marketing. We pay one-half of this fee to the Franchise Advertising Fund, and pay the balance in the form of a sales commission to the DDSI franchise sales person who assists you in the sale. If you generate the lead for a prospective purchaser without our assistance and do not utilize a DDSI franchise sales person we will waive the Resale Assistance Fee. You must register the lead with us in writing prior to that prospect contacting DDSI in order for the lead to be considered your own, and for the Resale Assistance Fee to be waived.

7. DDSI provides an introductory training program, including "Onboarding,", the Decorating Den Interiors University ("DDIU") and "Practical Instruction", to all new Franchisees. You must participate in, and successfully complete, the introductory training program. You must also participate in future training that we may require to maintain the high standards of the System. All training expenses are non-refundable and will not be the same for all Franchisees because of variable travel and lodging expenses. We do not impose or collect any training costs for ourselves or for any third party, except for a training fee of $1,200 for each additional person attending DDIU, whether attending with you or attending at a later date.

ITEM 7

ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$39,900	Lump Sum, or Down Payment plus Promissory Note, if applicable (See Item 10)	Upon signing of the Franchise Agreement	DDSI

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Furniture, Fixtures and Equipment (Note 2)	Business vehicle leased or financed: $0 to $1,800 for first 3 months Computer Hardware, Software and Internet Access: $105 to $2,500	As Arranged, Lump Sum As Arranged	Installments, At Purchase As Arranged	Lessor, 3rd party vendors 3rd party vendors
Technology Fee	$300 for 1st 3 months	ACH	1st day of each month	DDSI
Professional Fees (Accountants, Lawyers, etc.)	$0 to $3,200	As Arranged	As Arranged	3rd party vendors
Licenses	$0 to $600	As Arranged	As Arranged	3rd party vendors
Opening Inventory of Business Materials (Note 3)	$500 to $800	As Arranged	Before Opening	3rd party vendors
Advertising and Marketing First Three Months (Note 4)	$4,500 to $7,500	As Arranged	Before Grand Opening and during the early months of operation	3rd party vendors
Comprehensive General Liability and Vehicle Insurance (Note 5)	$450 to $1,200 for 1st 3 months	Down payment plus Installments	Before Opening	Insurance Company

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Travel and Related Expenses for initial training (Note 6)	$1,500 to $3,600	As Arranged	Before Opening	3rd party vendors
Additional Funds -- 3 Months (Note 7)	$4,500 to $12,000	As Arranged	As Needed	3rd party vendors
TOTAL ESTIMATED INITIAL INVESTMENT (Note 8)	$51,755 to $73,300			

We do not provide direct or indirect financing to DDI Franchisees except as we describe in Item 10.

All payments made to DDSI are non-refundable. Whether any of the vendors to whom you make payments will refund those payments will depend on their terms of purchase.

NOTES:

1. If you participate in one of the discounted programs that we describe in Item 5, your estimated initial investment will range as follows:

	Initial Franchise Fee	Low Estimate	High Estimate
VetFran	$35,900	$49,813	$66,363
To The Trade	$29,900	$43,813	$60,363
Educational Credit	$34,900	$48,813	$65,363

2. You must use in the operation of your franchised business a vehicle suitable for carrying samples to the customer's home, office, or commercial establishment within 90 days of signing the Franchise Agreement. We recommend, but do not require, that you use a late model, , midsize SUV or larger.

   We do not require a particular make or model of vehicle, nor do we have a Preferred Supplier or approved supplier for the vehicle; however, the Franchise Owner Policy and Procedure

Manual includes recommendation for vehicle and the recommended placement of our Marks. We may modify these recommendations at any time.

Most DDI Franchisees lease or finance the purchase of the business vehicle from an automobile dealer, if they do not already own or lease a vehicle. If you live in an area that restricts overnight parking of vehicles with commercial markings, you must be prepared to store your logoed business vehicle in a garage or some other storage facility.

If you do not currently own or lease a vehicle and choose to purchase a suitable vehicle, then we estimate that your cost will increase by the current market value for such used or new vehicle that you select.. We have not included this figure among our estimates in the above table because most Franchise Owners own or lease a suitable vehicle.

If you lease or purchase the business vehicle, we have not included any down payment in the above table, since the amount varies. We also did not include registration fees, sales taxes or other charges the dealer or local jurisdictions may impose, since these amounts vary. In addition, the estimate made in this portion of the chart includes monthly installments of up to $600.

If you decide to place our logo on your business vehicle, you must purchase the decals from our designated supplier, Designer Decal, which is located in Spokane, Washington. The cost ranges from approximately $150 to $245, depending on the size of the decals that you purchase, plus shipping charges to your location. In addition, you must arrange for installation on your vehicle at your cost, approximately $200 to $400.

DDI Franchisees must purchase or lease for use in their office a computer system including hardware, router, software, a color printer, and other miscellaneous equipment meeting our requirements. We have included 3 months of internet connection charges at an estimated $35 per month.

You must obtain our proprietary, cloud-based technology system that we call B.O.S.S. The current fee is $100/month.

3. This includes business cards, letterhead, stationery, envelopes, and necessary business forms.
4. This includes search engine optimization services, pay-per-click advertising, direct mail and print advertising, personal networking, workshops, and lead services during the first 3 months. In addition to these expenses, we strongly recommend that you plan to spend $1,000 to $3,000 for your grand opening event to be held during the first 3 months; this additional amount is not included in the table above, and covers room and equipment rental, food and beverage, and additional marketing specifically for the grand opening event.
5. The information in the chart reflects 3 monthly installments using estimated annual comprehensive general liability and vehicle insurance costs of $1,800 to $4,400. The amount you pay for insurance will depend on the state in which you are conducting business and other factors. If you choose to have employees working for you, you must also obtain Employer Liability Insurance.

6. DDSI provides to all new DDI Franchisees an introductory training program, including "Onboarding,", DDIU and "Practical Instruction." You must participate in, and successfully complete, the introductory training program within 6 months after you sign the Franchise Agreement. You must also participate in future training that we may require. All training expenses are non-refundable and will not be the same for all Franchisees because of variable travel, food and lodging expenses. We do not impose or collect any training costs for ourselves or for any third party, except as we specify in Item 11. See Item 11 for more information on our training program.
7. Additional Funds may include: (i) wages for employees (ii) royalty fees, (iii) advertising fees, etc. and (iv) additional advertising and marketing or other operating expenses you may expect to encounter in your first three months of business based on our experience with newly opened franchises. These figures are only estimates, and you may have additional expenses starting your business.
8. We have relied on our more than 50 years of experience in the interior decorating business to compile these estimates. However, we strongly encourage you to review these estimates carefully with a business advisor before making any decision to purchase this franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We do not require that you purchase or lease from us or any specific manufacturer or supplier the Franchised Products and Services or any other goods, services, supplies, fixtures, equipment, inventory or real estate you will need in connection with the establishment or operation of your franchised business, with one exception. If you decide to place our logo on your business vehicle, you must order the decals for your vehicle from our approved supplier, Designer Decal.

To the extent that franchisees purchase or lease any goods or services from DDSI, we will derive income from those purchases or leases. During our latest fiscal year, which ended December 31, 2025, we derived approximately $678 in revenue from franchisees' purchases or leases from us. This represented about .0238% of our total revenue of $2,848,255.

We estimate that your purchases or leases from us, from Preferred Suppliers or approved suppliers, or otherwise in accordance with our specifications will represent, collectively, 75% to 90%of your total purchases in establishing the franchised business (depending primarily on whether you lease or purchase your vehicle, or already have a suitable vehicle), and approximately 75%-90% in the continuing operation of your franchised business.

Neither DDSI nor any officer, director or affiliate receives compensation from any Preferred Supplier or other recommended supplier, owns any interest in any of our Preferred Suppliers or other recommended supplier, derives any revenue from your purchases or leases of Franchised Products and Services, or derives any revenue from your purchases or leases of any

other goods and services meeting our specifications from any suppliers and manufacturers, except for payments that we receive under our Preferred Supplier Program.

Preferred Supplier Program

Under our preferred supplier program (the "Preferred Supplier Program"), we have negotiated and entered into agreements with various manufacturers, suppliers and service providers ("Preferred Suppliers") that provide for rebates to be paid to us based upon the volume of sales from the System. Generally, these Preferred Suppliers have agreed to pay the Merchandising Incentive Fund Trust (the "MIF Trust") a rebate ranging from 3% to 8% of sales of their products made to Franchise Owners. The MIF Trust was established under Maryland law, and is administered by a single Trustee, Lawson Sharp, who is appointed by DDSI and who also provides certain accounting services to DDSI and acts as our Chief Financial Officer under a consulting agreement. DDSI created the MIF Trust to collect, manage, and spend the funds generated by the merchandising programs for the benefit of the System and franchisees.

At the present time, the Franchised Products and Services sold by our Preferred Suppliers include accessories, lighting; lighting shades; mirrors; wall art; bathroom accessories, furniture and lighting; custom and ready-made bed coverings; fabrics; flooring (area rugs, wall-to-wall carpeting and hard flooring); furniture (bar service, bar stools, and wine service; bedroom furniture; bookcase/entertainment; contract/commercial furniture; dining furniture; home office; leather furniture; mattresses; metal furniture; occasional/accent furniture; outdoor/accent furniture; upholstered furniture; youth-infant furniture; sustainability; wall coverings (commercial – residential; murals/photomurals/scenics);, garage storage and other storage systems; and window treatments (custom; hard window coverings; hardware; motorized window coverings; ready-made; and trim).

We encourage DDI franchise owners to participate in the Preferred Supplier Program through the offer of product discounts and guarantees; contests and incentive awards; and assistance in the return of products. If you purchase products or services from sources who do not participate in our Preferred Supplier Program, we may not be able to offer you the same level of support and services that are available to you when you purchase from Preferred Suppliers.

When you become a franchisee, we will provide you with online access to the Supplier Handbook, which includes the current list of Preferred Suppliers. We stay in close communication with Preferred Suppliers to negotiate product discounts and guarantees; contests and incentive awards; and assistance in the return of products, which will enable franchisees to offer special promotions to their customers. We may revoke the "Preferred" status of any supplier at any time in our sole discretion, if that supplier fails to meet our standards for service, financial status, and quality of products or operations.

DDI Franchisees may order the Franchised Products and Services from any source of their choosing. If you order products and services from suppliers who are not Preferred Suppliers, the products and services must be of good quality and appropriate for the purpose to be used. DDSI may restrict DDI franchise owners from selling products and services that in DDSI's reasonable opinion are not of good quality.

Neither DDSI nor its affiliates are currently a Preferred Supplier to the System. However, DDSI or an affiliate may, in the future, become a Preferred Supplier or acquire an interest, in either equity or debt, in a Preferred Supplier.

Merchandising Incentive Fund Trust

The MIF Trust uses its funds (i) to develop technology, online applications and software for the System, (ii) to sponsor seminars, conventions, trips, meetings, and conferences for the education and training of franchisees, (iii) to cure defaults by Preferred Suppliers to assure that our franchisees receive refunds for deposits made for products ordered by customers, (iv) to fund merchandising services and promotions, and (v) to promote in general the System. The rules applicable to incentive programs or reward promotions are set out in the Franchise Owner Policy and Procedure Manual or in applicable contest flyers or brochures. All expenditures from the Trust are subject to the approval of the Trustee.

The MIF Trust also uses its funds to pay for administrative and management services for the Trust, including payment to DDSI for these services, or hiring employees of the MIF Trust to provide administrative and management services. The MIF Trust pays the salaries and benefits of the DDSI personnel in the Merchandising Department, who are responsible for negotiating and managing the Preferred Supplier Program, and in the IT Department, who provide computer and information technology services for the benefit of the System.

B.O.S.S.

DDSI operates and makes available to franchisees a proprietary, cloud-based technology business system, which we call "B.O.S.S,™." which stands for “Back Office Support System.” This provides tools and resources for lead and client management, supplier access, training, marketing, communications between franchisees and corporate staff, and the cost of providing support.

You must have an appropriate computer and access to the Internet to use B.O.S.S. You must have a computer system, including hardware and software, meeting or exceeding our minimum specifications as set forth in the Policy and Procedure Manual, to report sales and other information that we may require, to operate the franchised business and to access the Internet.

We may require you to acquire computer hardware or software from us or from approved suppliers in the future.

Vehicle

You must use a vehicle in connection with the operation of your business that meets our specifications and t provide us with pertinent specifications of your vehicle within 90 days of signing the Franchise Agreement. The vehicle must be a late model vehicle in good condition. We recommend that you use at least a mid-sized minivan or SUV with at least 60 cubic feet of cargo space behind the driver’s seat and has a rear window large enough to accommodate a decal that is 16.9 inches wide by 9.7 inches high.

We do not require a particular make or model of vehicle, nor do we have a Preferred Supplier or approved supplier for the vehicle. The Franchise Owner Policy and Procedure Manual includes our minimum specifications for the business vehicle and the use and placement of our Marks, if you choose to apply the Marks to your vehicle. We may modify these requirements at any time.

If you live in an area that restricts overnight parking of vehicles with commercial markings, you will need to store your logos vehicle in a garage or some other storage facility.

If you choose to apply our Marks to your vehicle, you must obtain the decals for the business vehicle from our approved supplier, Designer Decal, 1120 E, First Ave., Spokane, WA 99202 (telephone 800-622-6333). You must arrange for a local installer to apply the decals to your vehicle at your cost.

DDSI specifies in the Franchise Owner Policy and Procedure Manual minimum requirements for design, appearance and quality of the business vehicle, and for placement of decals, business cards, letterhead, stationery, envelopes, promotional brochures and necessary business forms you will use in your business. These same items will comprise a portion of the total cost of operating your business; however, the marketing and other operating expenses of our franchisees vary widely and are not reported to us. As a result, we cannot estimate a percentage of total expenses they may represent in your business. During your operation of the business, you need not purchase any other products or services subject to our specifications. You typically place orders for Franchised Products and Services on behalf of your customers and make payment to suppliers after you collect the down payment from your customers.

Insurance

You must purchase, within 10 days after signing the Franchise Agreement, the following types of insurance: (1) Comprehensive General Liability Insurance, including premises, products, completed operations, personal injury, and contractual liability coverage in amounts not less than $1,000,000 for each occurrence with a general annual aggregate of not less than $2,000,000, and a products and completed operations annual aggregate of not less than $2,000,000; (2) if you have employees, then you must have Employer's liability insurance providing for coverage in amounts not less than $250,000 for each accident, for each employee, and in the aggregate, and Worker's Compensation insurance in amounts provided by applicable law in your state; (3) automobile liability coverage, for vehicles used in the course of conducting your business and the business vehicle, including coverage of owned, non-owned, and hired vehicles, with coverage in amounts not less than $1,000,000 combined single limit; and (4) any insurance that may be required by statute or rule of the state or locality in which the franchised business will be operated. You must name DDSI as an additional named insured to these insurance policies, and you must maintain these types of insurance policies throughout the term of your franchise.

Computer System

You must obtain computer equipment and software meeting or exceeding our specifications. The computer must be connected via a high-speed connection and must be capable of accessing the internet and of running specified software programs, including upgrades. Your hardware must meet the following minimum specifications:

- Windows 10.0 or newer (if you have an Apple computer, the operating system must be MAC OS 10.11 or newer)
- 500 GB or more Hard Drive
- Broadband Internet connection with minimum 1.5MBPS download speed
- 2.0 MHz Dual core Intel Processor or better
- 8 GB RAM or greater
- Color printer

Your computer must also have the following software:

- Microsoft Office (Small Business Edition) 2020 or newer
- Google Chrome, version 88 or newer
- Antivirus program such as Windows Defender (Bitdefender for MAC)
- Adobe Reader, version 16 or newer

Supplier Approval

If you wish to obtain Preferred Supplier approval for a supplier not currently approved by us nor on our Preferred Supplier list, you must first notify us in writing. We require, among other things, submission of sufficient samples, specifications, photographs, drawings and other related information to determine whether the items and the supplier meet our requirements. We do not currently charge to process the submission but may charge for reimbursement of reasonable expenses incurred in processing the request.

We apply the following general criteria, among others, in considering whether to designate a supplier as an approved supplier or as a Preferred Supplier:

1. Ability to provide the goods or services;
2. Ability to meet our standards and specifications for quality;
3. Production and delivery capabilities and ability to meet supply commitments;
4. Integrity and general reputation of ownership; and

5. Financial stability.

In addition, Preferred Supplier candidates must be willing to sign our Preferred Supplier Agreement which requires them, among other things, to provide certain product guarantees, to attend our conferences, and to pay a rebate to the MIF Trust.

We will process your request to approve a supplier within 30 days. We may revoke approval of a supplier that no longer meets our criteria for approval.

Benefits Provided

We do not provide material benefits to you based on your use of Preferred Suppliers or of other approved suppliers, except as we describe in this Item 8.

Purchasing and Distribution Cooperatives

We do not have any purchasing or distribution cooperatives.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 5	Item 7, Item 11, and Item 12
b. Pre-opening purchases/leases	Section 5	Item 7 and Item 11
c. Site development and other pre-opening requirements	Section 5	Item 6, Item 7, Item 11, and Item 12
d. Initial and ongoing training	Section 5	Item 1, Item 6, Item 7, and Item 11
e. Opening	Section 5	Item 7, and Item 11
f. Fees	Section 3	Item 5, Item 6, Item 7, and Item 12
g. Compliance with standards and policies/Operating Manual	Section 5 and Section 6	Item 11
h. Trademarks and proprietary information	Section 5 and Section 6	Item 8, Item 13, and Item 14

Obligation	Section in Agreement	Disclosure Document Item
i. Restrictions on products/services offered	Section 5	Item 8 and Item 16
j. Warranty and customer service requirements	Section 5.2 and 5.8	Item 8
k. Territorial development and sales quotas	Section 1 and Section 5	Item 12
l. Ongoing product/service purchases	Section 5	Item 8
m. Maintenance, appearance and remodeling requirements	Section 2.2 and Section 5.6	Item 8
n. Insurance	Section 5.13	Item 6, Item 7 and Item 8
o. Advertising	Section 5	Item 11
p. Indemnification	Section 11	Item 6
q. Owner's participation, management, and staffing	Section 5	Item 15
r. Records and reports	Section 7	Item 6
s. Inspections and audits	Section 7	Item 6
t. Transfer	Section 8	Item 6 and Item 17
u. Renewal	Section 2	Item 17
v. Post-termination obligations	Section 9 and Section 10	Item 17
w. Non-competition covenants	Section 6	Item 17
x. Dispute resolution	Section 12 and Section 13	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing except as we describe below in this Item 10.

Neither DDSI, the Field Mentors, nor any affiliate currently receives payment from any person for the placement of financing with you. However, we and the Regional Director, if applicable may offer arrangements for financing and receive payment from a third party for the placement of this financing in the future.

Under our financing program, if you ask us, we will consider financing up to $20,000 of the Initial Franchise Fee. We will base our decision on your demonstrated need for financial assistance, our evaluation of your ability to pay the financing obligations, our availability of funds, and other factors that we deem pertinent.

We make our decisions on a case-by-case basis, and we offer no assurance that we will offer you financing. Availability of financing is subject to approval of DDSI and up to the Regional Director, if any, for your area.

The amount of financing that we will offer, if any, will depend on your financial qualifications. We may suspend this financing program at any time.

At the highest level of financing, you pay $19,900 of the Initial Franchise Fee and sign a Promissory Note for the balance of $20,000 when you sign your Franchise Agreement.

If you participate in our financing program, you must sign a Promissory Note, the form of which you will find at Exhibit E to this Disclosure Document. The loan agreement does not require you waive defenses or other legal rights, nor does it bar you from asserting a defense against any lender, the lender's assignee or against DDSI. The loan agreement does require that you waive any objection to jurisdiction and venue in Maryland, that you waive the right to raise counterclaims in an action on the Promissory Note, and that you waive any right to jury trial (subject to state law).

The following chart summarizes the terms of our financing program.

SUMMARY OF FINANCING OFFERED

Item Financed: Portion of Initial Franchise Fee	
Amount Financed (Note 1)	$20,000 (maximum)
Down Payment (Note 1)	$19,900
Term (Note 2)	Up to 60 months
Interest Rate (Note 2)	8%

Item Financed: Portion of Initial Franchise Fee	
Monthly Payment (Notes 1, 2)	$405.53
Prepayment Penalty	None
Late Installment Fee (10 days after due date)	$50 plus any collection costs
Security Required	Personal Guarantee
Liability on Default	Full amount of remaining principal and interest, late installment fees, plus our collection costs including attorney fees
Loss of Legal Right on Default	Waive objection to Maryland court venue; waive right to counterclaim; waive right to jury trial (subject to state law)
Other Default Consequences (Note 3)	Termination of Franchise Agreement (subject to state law)

Note 1: The maximum amount of financing we make available to DDI Franchisees under this disclosure document is $20,000. If you qualify for and participate in one of our reduced Initial Franchisee programs that we describe in Item 5, the maximum amount of financing we make available is as follows:

VetFran Program	$16,000
To The Trade Program	$10,000
Educational Credit Program	$15,000

A lower amount of financing will mean a higher down payment portion of the Initial Franchise Fee. We will calculate note payments for lower amounts of financing on the basis of a 60 month fully amortized loan, with interest at 8%.

Note 2: The term of the Promissory Note commences when you sign it and the Franchise Agreement. You will pay the Note in up to 60 equal amortized monthly installments of principal and interest with the first payment due on the first day of the first full calendar month after the date

you complete DDIU, or the first day of the seventh full calendar month after you sign the Franchise Agreement, whichever first occurs. If you finance the maximum amount of $20,000, the monthly payment will be $405.63, with the repayment of principal and interest over 60 months totaling $24,331.62. The monthly payment will be proportionately lower if you borrow less than $20,000, but will not be less than $200. The Promissory Note accrues interest beginning at the earlier of the first day of the first full calendar month following the date you complete DDIU. Or the first day of the 6th full calendar month after you sign the Franchise Agreement.

If you qualify for and participate in one of our reduced Initial Franchise Fee programs that we describe in Item 5, the following table set forth certain information about your loan:

Program	Maximum Amount of Loan	Monthly Payment	Term	Total payments (including principal and interest)
VetFran	$16,000	$324.42	60 months	$19,465.20
To The Trade	$10,000	$202.76	60 months	$12,165.60
Educational Credit	$15,000	$304.15	60 months	$18,249.00

Under each of these programs, the Promissory Note accrues interest beginning the first day of the first full calendar month following the date you complete DDIU, or the first day of the sixth full calendar month after you sign the Franchise Agreement, whichever first occurs. The interest rate will not change over the life of the Promissory Note. You may prepay the Promissory Note at any time without penalty.

You must make installment payments on the Promissory Note by a direct debit of your bank account for each installment due on its due date, using the Automated Clearing House (ACH) or another automatic bank payment function. You must pay for all bank charges for this electronic direct debit. At the time you sign the Franchise Agreement, and at later dates on our request, you must sign an appropriate authorization agreement for automatic payment to permit our bank to draw funds from the bank account you designate.

Note 3: We may terminate the Franchise Agreement with no opportunity to cure the default if you fail to make any payment due under the Promissory Note within 10 days of its due date and we may also declare the entire remaining balance of the principal and interest immediately due and payable (subject to state law).

We do not have any past or present practice or intent to sell, assign, or discount to a third party, all or part of the financing arrangement, but we may do so in the future.

We do not guarantee your note, lease or obligation.

ITEM 11

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

Except as listed below, DDSI is not required to provide you with any assistance.

A. Pre-Opening Obligations. Before you open your franchised business, we must perform the following services:

1. Franchise Owner Policy and Procedure Manual – we will provide you with a Franchise Policy and Procedure Manual [Franchise Agreement – Section 4.3a(i)].
2. Initial Training – we will provide you with initial training at our headquarters in Easton, Maryland or such other location as we may determine [Franchise Agreement – Section 4.3a(ii)].
3. Initial Samples – we will provide you with an initial supply of product samples, catalogs and brochures [Franchise Agreement – Section 4.3a(v)].
4. Advertising and Marketing Programs – we will provide you with advertising planning and programs [Franchise Agreement – Section 4.3a(vi)].
5. Opening of Preferred Supplier Accounts – we will assist you in opening accounts with selected Preferred Suppliers [Franchise Agreement – Section 4.3a(vii)].
6. Local Website – we will provide you with a website promoting your franchised business [Franchise Agreement – Section 4.3(viii)].
7. Email address – we will provide you with an email address for use in connection with you franchised business [Franchise Agreement – Section 4.3(viii)].
8. License to use B.O.S.S. technology system [Technology License and Support Agreement – Section 1a].
9. Training in use of B.O.S.S. technology system – [Technology License and Support Agreement – Section 2a].

B. Continuing Obligations. After you open your franchised business, we must perform the following services:

1. Ongoing operational assistance – we will provide you, either directly through our employees or through a designated Field Mentor, with ongoing assistance in the operation of your franchised business [Franchise Agreement – Section 4.3a].

2. Franchise Owner Policy and Procedure Manual – we will provide you with updated information and revisions to the Franchise Owner Policy and Procedure Manual [Franchise Agreement – Section 4.3a(i)].

3. Ongoing Training – we will provide you with periodic ongoing training and communications [Franchise Agreement – Section 4.3a(iii)].

4. Advertising Assistance – we will provide you with advertising assistance, planning and programs for promotional pieces, including seasonal and special promotions, layouts for newspapers and other media, and recommendations for their use [Franchise Agreement – Section 4.3a(vi)].

C. <u>Other Services That We May Provide.</u> We may, in our discretion, make the following services available to you:

1. Advertising Evaluation – We may analyze your advertising and marketing plans from information you supply in order to provide a proposed budget for advertising and marketing based upon mutually determined sales objectives for the first year of operation.

2. Sample Selection Assistance – We may provide assistance in selecting and ordering additional samples from window, wall covering, furniture and floor covering suppliers, together with assistance in opening accounts with suppliers.

3. Grand Opening Assistance - We may assist in planning your Grand Opening. The Grand Opening is a promotional announcement that you are prepared to conduct business. The Grand Opening promotion is designed to generate sales appointments in the homes, offices, or commercial establishments of potential customers located in the vicinity of your Designated Location. You will obtain appointments through advertising and your own efforts through local contacts. A Grand Opening promotion will typically last approximately three (3) weeks.

4. Continuing Communications - We may provide management analysis and sales reports that provide information on sales made by all Franchise Owners. We also may make available sales ideas, market information reports, advertising ideas and other trade information not readily available from any other source.

5. Corporate Communications - We may offer assistance in establishing public relations programs to increase consumer awareness and credibility, both on a local and national level. Communications include print and broadcast media and internal publications for you.

6. Marketing Counseling - We may assist in establishing a local advertising and marketing program, budget preparation, and scheduling. We do not require that you conduct any local advertising or marketing.

7. Buying Service - We may conduct ongoing surveys of trade markets and various product suppliers to identify and introduce additional products and suppliers that may benefit the System.

8. Merchandising Service - We may maintain communications with Preferred Suppliers to negotiate special promotions and reduced costs, and to enable you to offer special promotions to your customers, while protecting your profit margins.

9. Social Media Services – We may provide assistance in implementing your social media promotions.

10. Creative Development of Promotional Pieces – We may provide creative development of promotional materials advertising and promotion your franchised business.

D. Site Selection and Start-Up of Business. When you apply for the franchise, we will review the Designated Location that you propose (typically, your home address) to determine whether it meets our standards. The factors that we consider when approving your proposed Designated Location include the population and number of "qualified households" within the county of the proposed Designated Location, meaning the number of households with a median household income at or above 150% of the median household income for the county of the proposed Designated Location and whether the site is located within an existing exclusive territory. Since we will have agreed on your Designated Location before you and we sign the Franchise Agreement, the Franchise Agreement does not contain any site selection or approval provisions applicable to the start-up period.

We do not have any obligations to conform your site to local ordinances or building codes, to obtain any required permit, to construct, remodel or decorate your premises, or to provide for equipment, signs, or fixtures that you will use in the operation of your business.

E. Franchise Owner Policy and Procedure Manual. We will provide you a Franchise Owner Policy and Procedure Manual, which we may revise from time to time during the term of the Franchise Agreement in our sole discretion. You must return it to us upon termination, expiration, assignment, or non-renewal of your Franchise Agreement.

Exhibit G to this Disclosure Document includes the Table of Contents of the Franchise Owner Policy and Procedure Manual. This Manual (including the Appendix) contains more than 75 pages of text, with the number of pages devoted to each subject as noted in the Table of Contents at Exhibit G.

F. Initial Training. Our initial training program, referred to as Decorating Den Interiors University ("DDIU"), consists of 5 phases: onboarding, online instruction, virtual instruction, in person instruction, and practical instruction.

DDIU is a comprehensive introductory training program for new franchisees. It features intensive onboarding courses, online courses, classroom and virtual Zoom seminars, covering five basic areas - Product Knowledge, Lifestyle Design, Sales and Marketing, and Business Management. We conduct DDIU several times throughout the year.

DDIU

The cost of DDIU for one person is included in the Initial Franchise Fee. The additional charge for each additional person to attend is currently $1,200. Eligible participants are spouse, another owner of a corporate or LLC franchisee, and partner. All new franchisees and any partners active in selling to customers must attend and successfully complete to our satisfaction DDIU all training programs of DDIU. You must pay your travel, lodging, and living expenses incurred while you are attending phase 4, in person instruction of DDIU. Reservations for attendance at DDIU are usually made approximately 4 to 6 weeks in advance of the scheduled session date.

Elizabeth Hawkins, Director of Education and Training,supervises all training and educational programs, certifies all instructors and provides most of the DDIU training. Ms. Hawkins has been a previous franchise owner with over 13 years' experience with the subject matter and over 6 years' experience with DDSI's operations Other members of our corporate staff also provide portions of DDIU instruction. .

DDIU Schedule:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Phase 1: Onboarding. Business management, marketing and sales	Online courses, totaling 40 hours (up to 20 hours a week at 5 weeks total)	0	Online from Franchisee Location
Phase 2: Online Instruction. Marketing, Sales, Product Knowledge, Design and Business Management	Self-paced online courses, totaling 20 hours (5 days, 1 week total)	0	Online from Franchisee Location

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Phase 3: Virtual Instruction Marketing, Sales, Product Knowledge, Design and Business Management	Virtual classes on Zoom, totaling 20 hours (4 days, 1 week total)	0	Virtual from Franchisee Location
Phase 4: In Person Instruction Marketing, Sales, Product Knowledge, Design and Business Management	In person classes, totaling 40 hours (5 days, 1 week total)	0	Easton, Maryland
Phase 5: Practical Instruction Marketing, Sales, Product Knowledge, Design and Business Management	Online courses and Virtual classes on Zoom totaling 3 hours a week for 15 weeks	0	Virtual from Franchisee Location

Exhibit G to the Disclosure Document includes the Table of Contents from the DDIU Training Manual. This Manual contains more than 475 pages of text, with the number of pages devoted to each subject as noted in the Table of Contents at Exhibit G.

In addition, we provide to you periodic training and communications to update your skills, including training at our annual conferences and special seminars at locations we will determine. Our Continuing Education Program includes one-, two-, and three-day courses in the areas of Sales Marketing, Product Knowledge, Lifestyle Design and Business Management. We offer these courses at Regional Centers, through online delivery, and at our Annual Lifestyle Conference. Attendance is voluntary. The registration fee for our annual conference is currently $895 per person, and we may change this at any time. We or the Field Mentor may impose a reasonable charge (typically, $50 to $150 per day) for other periodic training. We do not currently charge for online learning courses that we provide but reserve the right to do so. You must pay travel, lodging and daily living expenses that you incur while attending all training and seminars.

The location and frequency of the ongoing training services and communications described are at the discretion of DDSI or the Field Mentor. Schools, online offerings, and class training may require incidental fees.

G. Advertising and Marketing Programs. We may distribute advertising through the internet and through television, radio and newspapers on local, regional and national levels.

Advertising originates from franchisees and Field Mentors as well as DDSI and agencies. You may use your own advertising material, if you obtain our prior, express, written approval.

There are 2 councils to serve you in an advisory capacity on advertising policies: the U.S. Leadership Council ("U.S. TLC") and the Canadian Leadership Council ("Canadian TLC"). The U.S. TLC consists of 9 members, 6 U.S. franchisees elected by their peers, 2 U.S. franchisees appointed by DDSI, and one DDSI staff member. The Canadian TLC consists of 1 member, a Canadian franchisee elected by his or her peers. The U.S. franchisees appointed by DDSI are typically the TLC candidates who receive the next highest number of votes after those elected. These Advisory Boards may be formed, changed or dissolved only by the appropriate TLC amending its By-Laws.

H. National Brand Fund. As a part of our National Brand program, you must participate in the National Brand Fund ("NBF") and pay the NBF Contribution. Except as we note below, every franchisee must contribute an amount equal to 4% of Gross Sales calculated on the 15th day and the last day of each month, or a minimum of $100.00 per month, whichever is greater. We invoice you for the NBF Contribution based on sales on the 15th day of the month, we invoice you for the NBF Contribution based on sales or the minimum on the last day of the month. Each is due within 5 days after invoicing. You must pay your NBF Contributions by electronic fund transfer through payment arrangements with your bank.

Under our NBF Fee Reduction Program, the NBF Contribution will be calculated as follows:

Annual Gross Sales	NBF Fee
$0 - $200,000	4%
$200,000.01 to $300,000	3%
Over $300,000	1%

DDSI may change or eliminate the NBF Fee Reduction Program at any time after December 31, 2024 on 30 days' notice.

Continuing NBF contributions are uniform as to all persons presently acquiring a franchise, and are not refundable. Not all franchisees currently in the system are on the same NBF payment schedule, as the amount of the minimum fee and the percentage of Gross Sales have increased over time. Field Mentors who also operate an individual franchise, contribute to the NBF on the same basis as unit franchise owners. If we ever acquire a company owned unit, we would expect to make a contribution to the NBF on the same basis.

The National Brand Fund is organized as a trust, named the "DECORATING DEN INTERIORS National Brand Fund Trust." A trustee designated by DDSI, currently David Haseley, who also serves as our Vice President, Merchandising, administers the fund. The stated function of the NBF Trust is to receive funds contributed by Franchise Owners and to expend those funds

exclusively for the promotion of the System, the enhancement of the image and awareness of the DECORATING DEN INTERIORS brand, and for the benefit of Franchise Owners.

The Trustee has absolute and exclusive power and authority to receive and disburse NBF funds. All NBF funds are used for advertising, marketing, and public relations purposes and the Trustee will spend the NBF funds on national, regional, or local media and marketing techniques or programs designed to communicate the services and products of the System to the public. In addition, the Trustee may spend NBF funds for development, test, or target marketing, conducting surveys, creative and production costs; and for reimbursements to the Trustee, DDSI, Field Mentors, or the Leadership Council ("TLC") of the DECORATING DEN INTERIORS Franchise Owners Association for reasonable accounting, administrative, legal expenses, and other activities deemed appropriate to promote the DECORATING DEN INTERIORS program and Marks.

The National Brand Fund is generally intended to maximize recognition and awareness of the DECORATING DEN INTERIORS brand and patronage of DECORATING DEN INTERIORS businesses. The Trust will endeavor to use the Trust Fund to develop advertising and marketing materials and programs, and to place advertising through the internet and through television, radio and newspapers on local, regional and national levels that will benefit all DECORATING DEN INTERIORS businesses. However, neither we nor the Trustee have any obligation to ensure that expenditures by the National Brand Fund affecting any geographic area are or will be proportionate or equivalent to the contributions to the National Brand Fund by DECORATING DEN INTERIORS businesses operating in that geographic area. We also have no obligation to ensure that any DECORATING DEN INTERIORS business will benefit directly or in proportion to its contribution to the National Brand Fund or from the development of advertising and marketing materials and/or programs, the placement of advertising or otherwise. The salaries and other expenses of operating the Advertising and Public Relations Departments of DDSI are paid by NBF.

The NBF Trust is audited annually and these financial statements are posted in B.O.S.S. for review by franchisees. For the year ending December 31, 2025, the NBF Trust received $1,053,298 and was spent as follows: $699,568 (56.5%) of the fund was spent on national advertising, $137,758 (11/1%) on retail advertising programs, $93,110 (7.5%)on public relations programs, and $308,477 (24.9%) on general and administrative expenses. We also present at the annual conference of franchise owners a periodic accounting of how the NBF funds are spent.

We receive payment for providing goods and services to the fund, along with other suppliers of administrative services. No portion of NBF funds is used for advertising that is principally a solicitation for the sale of franchises. The specific uses of NBF funds are determined and budgeted under a business plan approved by the DDSI Board of Directors with the advice of the U.S. TLC and the Canadian TLC.

I. <u>Time Before Opening.</u> The typical length of time between the signing of the Franchise Agreement, or the first payment of any consideration for the franchise, and the opening of your business is 45 to 90 days. Factors affecting this length of time include receipt of samples from

suppliers, procurement of a business vehicle, and successful completion of our introductory training.

J. Computers; Computer Programs. You must obtain or use a computer system to run your Franchised Business and to access our technology system, which we call B.O.S.S. We do not require a specific brand of computer, which may be either a desktop or a laptop. We recommend that you have a laptop PC. Your hardware must meet the following minimum specifications:

- Windows 10.0 or newer (if you have an Apple computer, the operating system must be MAC OS 10.11 or newer)
- 500 GB or more Hard Drive
- Broadband Internet connection with minimum 1.5 MBPS download speed
- 2.0 MHz Dual core Intel Processor or better
- 8 GB RAM or greater
- Color printer

Your computer must also have the following software:

- Microsoft Office (Small Business Edition) 2020 or newer
- Google Chrome, version 88 or newer
- Antivirus program such as Windows Defender (Bitdefender fore MAC)
- Adobe Reader, version 16 or newer

We estimate that the cost of obtaining hardware and software meeting our specifications will cost between $105 and $2,500.

We do not require that you buy or use an electronic cash register in the operation of your business.

You must obtain from DDSI access to our proprietary system, which we call B.O.S.S. The cost is currently $100/month. We may require you to purchase computer software from us or from approved suppliers. We may also require you to contract with a third-party service organization that we designate to provide maintenance, repairs, or upgrades.

We will not have independent access to the data in your computer system.

K. Technology System. We refer to our technology system as B.O.S.S. It provides (i) online communications among DDSI, Field Mentors and franchisees in the form of email and discussion forums, (ii) an electronic library of various manuals and other materials and resources, (iii) a calendaring function, (iv) a customer management function through which retail leads are distributed, (v) a system to create and submit sales reports, (vi) a function to provide for electronic payment of Service Fees, NBF contributions, and Technology Fees, and (vii) an application to

allow creation, editing and management of an individual website for your franchise. In order to utilize B.O.S.S., you must have an appropriate computer and access to the Internet. You must log in to B.O.S.S. every business day, and you must submit reports of Gross Sales using B.O.S.S.

L. Internet Website. DDSI has developed and maintains an internet website at www.decoratingden.com that provides information to the public about our business (the "Website"). The website includes a link termed "unit locator" that leads to website information regarding the closest franchisee location.

You may not establish or operate any other website for your Franchised Business.

DDSI also provides each franchise a website platform which utilizes the corporate website as the basic template. DDSI will create a website for each franchise on the primary DDSI Domain. Franchisees may not establish or operate any other website for operation of their business outside of the DDSI website established with the franchisee.

While DDSI gives the franchisee limited customization features on their individual website, DDSI maintains sole discretion and control over the design and content of the website. DDSI has the sole right to approve any links to, plug-ins, or other uses of the website. DDSI has no obligation to maintain the website indefinitely but may discontinue it at any time without any liability to the franchisee. Furthermore, as we have no control over the stability of maintenance of the Internet generally, we are not responsible for damage or loss caused by errors of the internet.

DDSI may establish or maintain one or more social media sites to be established for the franchisee (example, www.facebook.com, www.instagram.com or other social media sites). Franchisees may not establish or maintain any social media sites utilizing any user names or otherwise associated with the Marks without prior written consent from DDSI. Franchisees must comply with DDSI social media policies that are established from time to time.

M. Initial Supply of Product Samples. We will provide you with a start-up supply of product samples of products available from selected Preferred Suppliers and typically used by our franchisees in their franchised business. Depending on the particular products, the samples may be a printed catalog, access to an on-line catalog, color swatches, fabric swatches, etc.

ITEM 12

TERRITORY

You will operate your business from the Designated Location, which we will identify in the Franchise Agreement. In most cases, the Designated Location is the home of the franchisee. We do not grant exclusive territorial rights. The Franchise Agreement gives you non-exclusive promotional and developmental rights to sell Franchised Products and Services anywhere in the United States of America from your Designated Location, except in certain limited areas as we describe below. Promotional rights include all forms of advertising and promotion for new

customers. Developmental rights are the rights to develop the franchised business by allowing independently contracted or employed decorators to operate on your behalf.

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.

At this time, there are no other outlets or other channels of distribution or other competitive brands that we control.

Prior to March 2010, we granted exclusive promotional and developmental rights (the "Existing Promotional and Developmental Rights") to DDI Franchisees. Most of the franchisees that were in the System at that time have voluntarily relinquished their exclusive promotional and developmental rights, and only 15 franchisees retained their exclusive promotional and developmental rights as of December 31, 2022. You must observe the Existing Promotional and Developmental Rights. DDSI imposes no limitations with respect to the customers to whom you may sell. You may sell to anyone who contacts you so long as you do not market or promote your business in an existing exclusive territory so long as you observe these Existing Promotional and Developmental Rights.

We and our affiliates may sell Franchised Products and Services under the Marks within or outside your territory through any method of distribution, including channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to sell Franchised Products and Services.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any alternative distribution channel, and we receive a request from a potential customer located in your region relating to Franchised Products or Services that you offer, then we will forward the request to you according to the lead rotation policy in the Franchise Owner Policy and Procedure Manual. If you do not respond to the request within the time frame that we require, then we may re-assign the lead to another franchisee, and you will not receive any compensation in connection with the sale of Franchised Products or Services resulting from this request. We own the rights to all inquiries or requests placed through our Website.

We may establish other franchised or company owned businesses that sell Franchised Products and Services under a different trade name or trademark without first obtaining your consent. We also may market on the Internet, including all use of websites, domain names, URL's, linking, meta-tags, advertising, auction sites, e-commerce, and co-branding arrangements.

You will provide us content for our Internet marketing of the System. We may also use our Marks on the Internet, including on websites, as domain names, directory addresses, meta-tags, and in connection with linking, advertisement, co-branding, and other arrangements. We may approve any linking or other use of our website, including in connection with social media postings such as Facebook.

. Subject to the terms of use on our website, we may gather, develop, and use in any lawful manner information about any visitor to our website, including your customers, franchisees or prospective franchisees regardless of whether they were referred to you via the website or were otherwise in contact with you.

When you apply to purchase your franchise, we will review the Designated Location that you propose to determine whether it meets our standards. The factors that we consider when approving your proposed new location include the population and number of "qualified households" within the county of the proposed new location and whether the site is located within an existing exclusive territory.

We do not allow franchisees to own or have any interest in more than 1 DECORATING DEN INTERIORS franchise. Accordingly, you do not receive any options, rights of first refusal or similar rights to acquire additional franchises.

If you are in good standing and in compliance with your Franchise Agreement, upon approval by DDSI, you may elect to place your franchise on a "non-operating" status. This allows you to take a leave of absence from operating the franchise business for up to 3 years. While in this status, your Franchise Agreement remains intact. You cannot sell your business while you are in this status. During the 3-year period, you may work as a decorator for another DDSI franchisee. While on non-operating status, we do not require you to make NBF contributions. You may return to your business at any time within the 3-year period. If you do return to your business and if a franchise in the area of the Designated Location is still available, it may be re-assigned to you by DDSI. If it is not available, you must provide another Designated Location, which we must approve. If you do not return to your business by the end of the 3-year period, your Franchise Agreement automatically terminates. We may discontinue this non-operating status program at any time. If we do, we will allow those persons in the program to continue in the program until their status changes or their 3-year period expires.

We require that you achieve a minimum of $40,000 in gross sales per calendar year. Failure to do so will result in default and possible termination of your Franchise Agreement. At our discretion we may consider factors unique to your franchise causing this event.

ITEM 13

TRADEMARKS

The franchise includes the license to use a family of trademarks (the "Marks") solely in connection with the operation of your franchised business and solely from the Designated Location. Our principal trademarks, which we have registered or filed with the United States Patent and Trademark Office ("USPTO") on its Principal Register, are as follows:

MARK	SERIAL OR REGISTRATION NUMBER	DATE OF REGISTRATION/FILING
DECORATING DEN INTERIORS	Reg. # 3,904,327	Registered January 11, 2011
WE LISTEN AND BEAUTIFUL HAPPENS	Reg. # 6,113560	Registered July 28, 2020
MAKING THE WORLD MORE BEAUTIFUL, ONE ROOM AT A TIME	Reg. # 4,547,615	Registered June 10, 2014
DECORATING DEN INTERIORS & logo	Reg. # 4,563,113	Registered July 8, 2014

We have filed all required affidavits and renewals of these registrations.

In addition to the United States federal registrations, DDSI has trademark registrations pending or completed in various foreign jurisdictions. There is no presently effective determination by the USPTO, the Trademark Administrator of this state or any court regarding the Marks.

There is no pending interference, opposition or cancellation proceeding regarding the Marks. There is no pending material litigation in any state or federal court involving the Marks that is relevant to their use in this state or in the state in which the franchised business is to be located. There is no agreement limiting our use of these Marks. There are no potentially infringing uses known to us that would materially affect your use of the Marks in accordance with the provisions of the Franchise Agreement.

DDSI is the owner of the Marks and will take whatever action it deems necessary in its sole discretion to protect the Marks against claims of infringement or unfair competition with respect to the use of these Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Marks. The Franchise Agreement does not require us to defend or indemnify you resulting from your use of the Marks. We will take any action we deem appropriate in our sole discretion. You agree to cooperate fully with us in the prosecution or defense of any of these suits or claims. We have the right to control any litigation or administrative proceedings relating to the Marks. Your cooperation will include providing to us, for no payment, the pertinent evidence and assistance you have within your control. We will use our best efforts to protect and preserve the integrity and validity of the Marks, including taking appropriate actions in the event of any apparent infringement of any of the Marks. We alone will make all decisions regarding the protection and defense of the Marks.

We may add or substitute different Marks for use in identifying the System, if in our judgment it would benefit the System. In that event, you may be required, at your own expense, to discontinue or modify your use of any of the Marks or to use substitute Marks.

There are no infringing uses actually known to DDSI that would materially affect your use of the Marks.

We do not permit individual franchise owners to own, operate or display in a website that uses any of the Marks or the name "DECORATING DEN INTERIORS" or "Decorating Den", except for the individual franchisee websites that we provide or that we have pre-approved in writing.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

We hold no rights in or licenses to any patents and have no pending patent applications.

We do not own or hold any licenses to any copyright material to the franchise program. However, we claim copyright on certain forms, advertisements, promotional materials, photographs and other written materials. We also claim copyright and other proprietary rights in the Franchisee Owner Policy and Procedure Manual. In addition, if you participate in our annual Dream Room contest, when you submit photographs of your work, the entry form gives us a license to use your photographs and allows other franchisees to use those photographs.

There are no agreements currently in effect that significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U. S. Copyright Office or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this Disclosure Document we are not aware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them in any state.

You must notify us immediately when you learn about an infringement of or challenge to your use of our copyrighted materials. The Franchise Agreement does not require us to defend or indemnify you resulting from your use of the copyrighted material. We will take any action we deem appropriate in our sole discretion. You agree to cooperate fully with us in the prosecution or defense of any of these suits or claims. We have the right to control any litigation or administrative proceedings relating to the copyrighted material. Your cooperation will include providing to us, for no payment, the pertinent evidence and assistance you have within your control. We will use our best efforts to protect and preserve the integrity and validity of the copyrighted material, including taking appropriate actions in the event of any apparent infringement of any of the copyrighted material. We alone will make all decisions regarding the protection and defense of the copyrighted material.

Confidential Information

You may never – during the initial term, any renewal term or after the Franchise Agreement terminates or expires, without our prior written consent – reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. We may require persons affiliated with you to sign an appropriate confidentiality agreement.

Confidential information includes all information, knowledge, know-how, techniques, and any materials related to the franchise program that is not generally distributed or known outside the System. You must treat as confidential all System manuals, training materials, sales and presentation techniques, forms, checklists, and operational documents. If you violate this requirement, we may terminate the Franchise Agreement. If that happens, you agree in the Franchise Agreement to pay for all costs and attorney's fees we incur in obtaining legal remedy for a confidentiality violation.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require you to be directly and personally involved in or to provide direct supervision of the franchise business, unless you or your veteran spouse qualify under our VetFran program for the reduced initial franchise fee. If you do qualify under the VetFran program, you must be directly and personally involved in the actual operation of the franchised business.

When we enter into the Franchise Agreement with you, we rely on your personal qualifications, financial ability, and representations, and on your active and substantial participation in the ownership and operation of your franchised business.

If you cannot be directly active in the business, you must advise us as to the person primarily responsible for the operation of the franchised business. We will then expect to conduct all business, training, and supervision with that person as if he or she were, in fact, you. The person designated primarily responsible for the success of the franchised business must participate in and successfully complete the initial training, including Onboarding, DDIU and Practical Instruction. We also recommend but do not require that the responsible person complete the Practical Instruction course as well. If the franchisee is a legal entity, such as a corporation or limited liability company, we do not require the responsible person to own any interest in the entity. There are no other limitations regarding the person you hire as the person responsible for the operation of your franchise.

If you organize your business so that a corporation, limited liability company, or partnership will hold the franchise rights under the Franchise Agreement then all of the owners of that entity must personally guarantee the entity's performance under the terms of the Franchise

Agreement and must promise to perform all of the covenants, representations and agreements of the franchisee under the Franchise Agreement. All of the stockholders, limited liability company members or partners of the franchisee entity must sign the Certification and Guaranty attached to this Disclosure Document as part of Exhibit E.

We do not require your spouse, if any, to guarantee your performance under the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Under the Franchise Agreement, you must offer for sale in your business only those products and services that we consider consistent with and beneficial to the proper operation of a DECORATING DEN INTERIORS franchised business. You may not sell or offer for sale Franchised Products or Services for which you lack sufficient skill and knowledge to provide the high level of service associated with the Marks. We encourage you to participate in our Preferred Supplier Program through the offer of product discounts and guarantees; contests and incentive awards; and assistance in the return of products. Any products or services you order from other suppliers must comply with standards in the Franchise Owner Policy and Procedure Manual and bulletins published by the DDSI Merchandising Department. We do not require you to sell or provide the entire line of goods and services offered in the System. We may change the types of authorized goods and services in our sole discretion.

You will not receive the right to develop, market, and advertise your services in a specified or exclusive geographic area. Your rights will be subject to the Existing Promotional and Developmental Rights. We do not impose any other restrictions or conditions that limit your access to customers.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

The following table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements in Exhibit E in this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	Section 2.1	5 years.

Provision	Section in Franchise Agreement	Summary
(b) Renewal or extension of the term	Section 2.2	Agreement will renew for additional 5-year terms unless you deliver notice not to renew at least 3 months before. You must be in good standing for renewal.
(c) Requirements for franchisee to renew or extend	Section 2.2	Requirements: Bring vehicle into conformance, not be in default of Franchise Agreement, and all other agreements, have satisfied all monetary obligations, sign the then-current franchise agreement with no renewal fee charged, sign the general release, and comply with current training requirements. If you seek to renew your franchise at the expiration of the initial term or any renewal term, we may ask you to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements.
(d) Termination by franchisee	Section 9.2 Section 9.3 Section 9.4	Subject to state law, you may voluntarily terminate at any time on 30 days' prior written notice. You must pay all sums due and owing to DDSI at the time of termination. DDSI may require an audit. With our approval, you may also elect "non-operating status."
(e) Termination by franchisor without cause	Not Applicable	DDSI will not terminate a franchise without cause.
(f) Termination by franchisor with cause.	Section 1.3 Section 5.12 Section 9.1	Exercised if: you are insolvent or adjudicated bankrupt, file for bankruptcy, abandon or cease to operate your business, are convicted of a felony make material misrepresentation, fail on 3 or more occasions to comply with the Franchise Agreement, transfer to a third party without consent, engage in activity prejudicial to DDSI, fail to achieve $40,000 in Gross Sales any calendar year. (Subject to state law)

Provision	Section in Franchise Agreement	Summary
(g) "Cause" defined – curable defaults	Section 2.2 Section 9.1 Section 7.1	Exercised if: you fail to pay any amounts due to DDSI to submit gross sales reports and all other reports, to comply with the Franchise Agreement, to maintain standards and procedures in all manuals or otherwise in writing, or fail to obtain prior written approval or consent from DDSI.
(h) "Cause" defined – non-curable defaults	Section 1.3 Section 5.12 Section 9.1	Exercised if: you are insolvent or adjudicated bankrupt, file for bankruptcy, abandon or cease to operate your business, are convicted of a felony, make material misrepresentation, fail on 3 or more occasions to comply with the Franchise Agreement, transfer to third party without consent, engage in activity prejudicial to DDSI, fail to pay a Promissory Note installment within 10 days of its due date, or fail to achieve $40,000 in Gross Sales in any calendar year.
(i) Franchisee's obligations on termination/non-renewal	Section 3.3 Section 5.3 Section 6.1 Section 6.2 Section 10	You will: cease using all DDSI trademarks, ship all materials bearing DDSI trademarks to an address designated by DDSI, pay all Service Fees, Initial Franchise Fee, NBF contributions and all amounts and fees owed to DDSI, and any interest due, assign all telephone numbers associated with the business and comply with all confidentiality restrictions and covenants not to compete.
(j) Assignment of contract by franchisor	Section 8.1	DDSI may assign the Franchise Agreement and, if assigned, will be binding upon and inure to the benefit of our assignee. DDSI may delegate certain duties to a third party to serve as Field Mentor.
(k) "Transfer" by franchisee – defined	Section 8.2 Section 8.3 Section 8.4 Section 8.5 Section 8.6 Section 8.7	To voluntarily transfer, assign, or sell a controlling interest of the Franchise Agreement. The merger or consolidation, or issuance of additional securities representing an ownership interest in the Franchise is considered a transfer.

Provision	Section in Franchise Agreement	Summary
(l) Franchisor approval of transfer by franchisee	Section 8.1 Section 8.2 Section 8.3	You may not transfer any interest in the Franchise Agreement without our prior written approval. If you do, we may terminate the Franchise Agreement.
(m) Conditions for franchisor approval of transfer	Section 8.3 Section 8.7	You must fully comply with the Franchise Agreement, the transferee must meet our standards for franchisees, have sufficient business aptitude and financial resources, pass DDSI's aptitude test, pay all fees and sign payment agreement including the Resale Assistance Fee, complete basic training, acquire a business vehicle meeting or exceeding our minimum requirements, execute current Franchise Agreement, and pay a $10,000 transfer fee. Franchise Owners must sign a general release and non-compete clause and give all customer lists, appointment registers, etc. to DDSI or a person designated by DDSI.
(n) Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable.
(o) Franchisor's option to purchase franchisee's business	Not Applicable	DDSI has never reacquired a franchise through repurchase or otherwise.
(p) Death or disability of franchisee	Section 8.5	Upon death: interests in the franchise will transfer to a third party approved by DDSI within 12 months from the date of death, or we may terminate the Franchise Agreement. Upon permanent disability: DDSI may require interest in business be transferred to a third party approved by DDSI within 6 months after notice to you, or DDSI may terminate the Franchise Agreement.
(q) Non-competition covenants during the term of the franchise	Section 6.2	Neither Franchise Owner nor Franchise Owner's principals may own, maintain, operate, engage in, or have any interest in any business that is the same as or similar to the franchised business, including any home furnishing, office furnishing, or interior decorating business.

Provision	Section in Franchise Agreement	Summary
(r) Non-competition covenants after the franchise is terminated or expires	Section 6.2 (b)(ii) Section 8.3(b)(ix)	Following expiration or termination for any reason, neither you nor your principals, nor any partner if you are a partnership, nor any officer or shareholder if you are a corporation, may, either directly or indirectly, or for, or with, any other person, persons, partnership, association or corporation, (i) own, maintain, engage in, participate or have any interest in the home furnishing, office furnishing, or interior decorating business for 2 years from the date of termination, within 50 miles of your Designated Location, or (ii) contact for business purposes or solicit home furnishing, office furnishing, or interior decorating business from any person or firm that was a customer of Franchisee prior to the date of termination if the person or firm is located 50 miles of the Designated Location. (Subject to state law)
(s) Modification of the agreement	Section 13.7	No amendment to the Franchise Agreement will be binding unless put in writing and fully signed. DDSI will provide updated information and revisions to its Franchise Owner Policy and Procedure Manual periodically.
(t) Integration/merger clause	Section 13.7 Section 14(a)	The Franchise Agreement represents the entire agreement of the parties. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim representations made in this Franchise Disclosure Document. (Subject to state law)

Provision	Section in Franchise Agreement	Summary
(u) Dispute resolution by arbitration or mediation	Section 12.1 Section 12.2 Section 12.3	Any dispute or claim arising out of or under the Franchise Agreement including claims that the Franchise Agreement is invalid, illegal, void, or voidable must be first submitted to DDSI management for attempted settlement and within 30 days you will go to DDSI's Corporate offices in Easton, Maryland in attempts to resolve all disputes. All parties must submit any dispute arising under the Franchise Agreement to a non-binding Mediation process, which will take place in Easton, Maryland. A confidentiality agreement will also be required. If the dispute is not settled through mediation, the parties agree to submit the dispute to binding arbitration, which will take place in Talbot County, Maryland under the Commercial Arbitration Rules of the American Arbitration Association. Maryland Law will apply. Notwithstanding these provisions, DDSI may commence civil action to collect fees and other amounts due, to protect the Trademarks, to collect on any Promissory Note that is outstanding, and to enforce reporting and audit provisions of the Agreement. (Subject to state law)
(v) Choice of forum	Section 13.6 Section 12	Mediation will be conducted in Easton, Maryland, and Arbitration will be conducted in Talbot County, Maryland. Litigation may be conducted in applicable state or federal courts located in Maryland. (Subject to state law)
(w) Choice of law	Section 13.6	The substantive law of the State of Maryland applies. (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 or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make 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 our management by contacting our President, Mr. James Bugg, Jr., 8659 Commerce Drive, Easton, MD 21601; telephone (410) 822-9001; the Federal Trade Commission and any appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised Outlets	2023	226	222	-4
	2024	222	211	-11
	2025	211	202	-9
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	226	222	-4
	2024	222	211	-11
	2025	211	202	-9

Table No. 2

Transfers of Outlets From Franchisees to New Owners
For Years 2023 to 2025
(Other than the Franchisor)

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Illinois	2023	1
	2024	0
	2025	0
Pennsylvania	2023	0
	2024	1
	2025	0
Tennessee	2023	0
	2024	0
	2025	1
Texas	2023	0
	2024	0
	2025	1
Totals	2023	1
	2024	1
	2025	2

Table No. 3

Status of Franchised Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened (1)	Termi-nations	Non-Renewals	Reacquired By DDSI	Ceased Operations Other Reasons (1) (2)	Outlets at End of the Year
Alabama	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	1	2
Alaska	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Arizona	2023	4	2	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025 *	6	0	1	0	0	2	3
	2023	2	0	0	0	0	2	0

State	Year	Outlets at Start of Year	Outlets Opened (1)	Termi-nations	Non-Renewals	Reacquired By DDSI	Ceased Operations Other Reasons (1) (2)	Outlets at End of the Year
Arkansas	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
California	2023 #	13	1	0	0	0	1	13
	2024 Δ	13	0	1	0	0	2	10
	2025	10	0	0	0	0	2	8
Colorado	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Connecticut	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
District of Columbia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Delaware	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Florida	2023 #	29	4	2	0	0	1	30
	2024 Δ	30	2	3	0	0	1	28
	2025 *	28	3	1	0	0	4	26
Georgia	2023	9	1	1	0	0	1	8
	2024	8	1	1	0	0	1	7
	2025	7	0	1	0	0	0	6
Hawaii	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Idaho	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Illinois	2023	3	2	0	0	0	0	5
	2024	5	1	0	0	0	0	6
	2025 *	6	1*	0	0	0	0	7
Indiana	2023 #	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Iowa	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Kansas	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
	2025	1	0	0	0	0	0	1
Kentucky	2023 #	4	1	1	0	0	0	4
	2024 Δ	4	1	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Louisiana	2023	2	0	0	0	0	0	2
	2024 Δ	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened (1)	Termi-nations	Non-Renewals	Reacquired By DDSI	Ceased Operations Other Reasons (1) (2)	Outlets at End of the Year
Maine	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Maryland	2023	13	1	1	0	0	2	11
	2024	11	1	1	0	0	1	10
	2025	10	0	0	0	0	1	9
Massachusetts	2023	5	0	1	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	1	0	0	0	0	5
Michigan	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	1	3
	2025	3	0	0	0	0	0	3
Minnesota	2023 #	1	2	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Mississippi	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Missouri	2023 #	4	2	0	0	0	1	5
	2024	5	0	0	0	0	1	4
	2025 *	4	2	0	0	0	1	5
Montana	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Nebraska	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Nevada	2023	4	1	1	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
New Hampshire	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New Jersey	2023	11	0	3	0	0	0	8
	2024	8	0	1	0	0	0	7
	2025	7	1	0	0	0	0	8
New Mexico	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New York	2023	8	0	1	0	0	1	6
	2024	6	0	0	0	0	0	6
	2025	6	2	0	0	0	0	8
North Carolina	2023 #	8	0	0	0	0	1	7
	2024	7	1	0	0	0	0	8
	2025	8	1	2	0	0	0	7
North Dakota	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened (1)	Termi-nations	Non-Renewals	Reacquired By DDSI	Ceased Operations Other Reasons (1) (2)	Outlets at End of the Year
	2025	1	0	0	0	0	0	1
Ohio	2023	10	0	3	0	0	0	7
	2024 Δ	8	0	0	0	0	1	7
	2025	7	1	0	0	0	0	8
Oklahoma	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
	2025	1	0	0	0	0	0	1
Oregon	2023	4	0	0	0	0	0	4
	2024	4	1	0	0	0	1	4
	2025	4	0	0	0	0	1	3
Pennsylvania	2023 #	11	0	1	0	0	0	10
	2024	10	1	0	0	0	1	10
	2025	10	0	2	0	0	0	8
Rhode Island	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
South Carolina	2023 #	6	1	0	0	0	1	6
	2024 Δ	6	0	0	0	0	1	5
	2025	5	0	0	0	0	0	5
South Dakota	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Tennessee	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Texas	2023	22	3	2	0	0	1	22
	2024 Δ	22	8	2	0	0	3	25
	2025 *	25	3	2	0	0	1	25
Utah	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
	2025	0	0	0	0	0	0	0
Vermont	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Virginia	2023	13	1	0	0	0	0	14
	2024	14	1	1	0	0	0	14
	2025	14	1	2	0	0	0	13
Washington	2023 #	1	1	0	0	0	0	2
	2024	2	0	0	0	0	1	1
	2025	1	0	0	0	0	0	1
West Virginia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Wisconsin	2023	6	1	1	0	0	0	6
	2024	6	0	2	0	0	0	4
	2025	4	0	1	0	0	0	3
	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened (1)	Termi-nations	Non-Renewals	Reacquired By DDSI	Ceased Operations Other Reasons (1) (2)	Outlets at End of the Year
Wyoming	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Totals	2023 #	226	25	15	0	0	14	222
	2024	222	19	12	0	0	18	211
	2025	211	16	12	0	0	13	202

(1) Includes franchises who relocated from one state to another.

(2) Includes franchises who voluntarily elected to place their franchises in non-operating status.

In 2023 Franchise Owner Pamela Myres moved to Kentucky from California; Franchise Owner Angelique Bonomo moved from Florida to South Carolina; Franchise Owner Catherin Lloyd moved from Indiana to Ohio; Franchise Owner Jennifer French moved to Minnesota from South Carolina; Franchise Owner Sally Fox moved to Washington from North Carolina; Franchise Owner Delores Baker moved to Missouri from Pennsylvania and then terminated her franchise.

Δ In 2024, Franchise Owner Donald Tatera moved to Louisiana from California; Franchise owner Victoria Rorison moved to Florida from Texas; Franchise Owner Erica Lee moved to Florida from Ohio; and Franchise Owner Cathleen Adams moved to Texas from North Carolina.

* In 2025, Franchise Owner Heather Franek moved to Pennsylvania from Arizona and then went on Non-Operating Status; Franchise Owner Vicki Rorison moved from Florida to Texas; Carly Jossund moved to Illinois from Missouri; Franchise Owner

Table No. 4

Status of Company-Owned Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Totals	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table No. 5

Projected Openings of Franchises as of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Not Opened	Column 3 Projected New Franchise Outlets In the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	0	0
Arizona	0	0	0
California	0	4	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Florida	0	2	0
Georgia	0	2	0
Illinois	0	0	0
Indiana	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maryland	0	1	0
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	0	0
Missouri	0	0	0
Montana	0	0	0
New Jersey	0	1	0
New York	0	1	0
North Carolina	0	2	0
North Dakota	0	0	0
Ohio	0	1	0
Pennsylvania	0	1	0
Rhode Island	0	0	0
South Carolina	0	1	0
South Dakota	0	0	0
Tennessee	0	1	0
Texas	0	1	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	0	0
Washington	0	0	0
Wisconsin	0	0	0
Totals	0	20	0

Exhibit A lists the names of all of our Field Mentors in this state, if any, and their business addresses and telephone numbers as of December 31, 2025.

Exhibit B lists the names of all of our operating unit franchisees in the United States of America and their business addresses and telephone numbers as of December 31, 2025.

Exhibit C1 lists the name, city and state, and business telephone number of every franchisee in the United States of America who had an outlet terminated, canceled, transferred, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

Exhibit C2 lists the name, city and state, and business telephone number of every franchisee in the United States of America who took a voluntary leave of absence during the most recently completed fiscal year.

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

During the last three fiscal years, we have signed a confidentiality clause with 1 current or former franchisee restricting their ability to speak to you openly about their experience with the DECORATING DEN INTERIORS franchise (See Exhibit C.2).

We have sponsored the creation of the U.S. TLC and of the Canadian TLC. These Associations consist of all U.S. and Canadian franchisees, respectively. These associations do not have separate offices. Their corporate contact is Ms. Sue Pelley, 8659 Commerce Drive, Easton, MD 21601; telephone (410) 822-9001. Both Associations hold their annual meetings during the annual meeting of franchise owners and elect their officers for the coming year at that time. We consult with these Associations on issues that directly affect all franchise owners.

ITEM 21

FINANCIAL STATEMENTS

Exhibit D includes our audited financial statement for the periods ending December 31, 2025, December 31, 2024, and December 31, 2023.

ITEM 22

CONTRACTS

Attached to this disclosure document are copies of the following agreements relating to the offering of a franchise:

Exhibit E1 Franchise Agreement

Exhibit E2	Technology License and Support Agreement
Exhibit E3	Certification and Guaranty
Exhibit E4	Authorization Agreement for Automatic Payment
Exhibit E5	Promissory Note
Exhibit E6	Release (Voluntary Termination)
Exhibit E7	State Law Addendums
Exhibit I	Acknowledgment

ITEM 23

RECEIPTS

You will find two Receipt pages at the end of this Disclosure Document. Please sign and date both copies of the Receipt; keep one copy for your records (titled "Your Copy") and return the other copy (titled "Our Copy") to us, as directed by your DECORATING DEN INTERIORS representative.

DECORATING DEN
INTERIORS®

DECORATING DEN SYSTEMS, INC.

EXHIBIT A

FIELD MENTORS

EXHIBIT A

We provide services to our franchisees through corporate employees and independent contractors, collectively referred to as "Field Mentors." The following provides certain information regarding our independent contractor Field Mentors as of December 31, 2025.

A. **Florida.** MDD, Inc. has served as Regional Director since December 27, 1994 and has provided local support services to Franchise Owners in the following Florida counties:
Brevard, Hernando, Hillsborough, Pasco, Pinellas, Polk, Orange, Osceola, Seminole, and Volusia ("Region 60").

MDD is a Florida corporation, organized on December 27, 1994. Its principal business address is 26700 Shoregrass Drive, Wesley Chapel, Florida 33544, and its telephone number is (352) 588-5366.

Deborah Demboski has been president of MDD since its formation in December 1994. Ms. Demboski also operated a Decorating Den Interiors unit franchise from April 9, 1990 until February 23, 2006.

On December 31, 2025, there were 8 DDI unit franchises operating in Region 60.

B. **Georgia.** TMC Designs, Inc. ("TMC") has served as Regional Director from August 8, 1985 to December 31, 2013 and has provided local support services in the following areas:
Alabama: Counties of Lee and Russell.

Georgia: all counties <u>except</u> the following: Brantly, Brooks, Camden, Charlton, Clinch, Decatur, Echols, Glynn, Grady, Lowndes, Seminole, Thomas, and Ware.

South Carolina: Counties of Aiken, Barnwell, Edgefield and McCormick.

On December 31, 2013, TMC sold its rights to the following territory in Georgia to Barbara Elliott and Jennifer Ward Woods, who signed a Master License Agreement with DDSI on that date.

Georgia: counties of Clayton, DeKalb, Henry, Newton and Rockdale.

Georgia: Fulton County, except for zip codes 30004, 30005, 30009, 30022, 30075, 30076, 30328, 30346

TMC continues to serve as Regional Director and to provide local support services in the remainder of the territory described above, which we refer to as the "Region 10."

TMC is a Georgia corporation and was formed on August 8, 1985. Its principal business address is 2180 Maddox Road, Hoschton, Georgia 30548, and its telephone number is (770) 995-0877.

Allen Hugo has been President of TMC since its formation. Mr. Hugo has also been employed by ZMT Designs, Inc., as a franchise developer for Beef Jerky Outlet since December 13, 2013. Its principal business address is also 2180 Maddox Road, Hoschton, Georgia 30548 and its telephone number is (770) 560-0363.

On December 31, 2025, there were 5 DDI unit franchises operating in Region 10 as follows:

0 within the state of Alabama,
0 within the state of South Carolina
5 within the state of Georgia.

C. **Georgia.** Barbara Elliott and Jennifer Woods entered into a Master License Agreement with DDSI on December 31, 2013 and have served as Master License since that date and have provided local support services in the following areas of Georgia:

Counties of Clayton, DeKalb, Henry, Newton and Rockdale.

Fulton County, except for zip codes 30004, 30005, 30009, 30022, 30075, 30076, 30328, 30346 ("Region 123").

Ms. Elliott and Ms. Woods have operated a Decorating Den Interiors unit franchise at 917 Main St., Stone Mountain, GA 30083 since April 11, 1997. Their business telephone number is (770) 498-7780.

On December 31, 2025, there were 2 DDI unit franchises operating in Region 123.

D. **Iowa.** Julie Meyers has served as District Developer since December 31, 2012 and has provided local support services in the following counties in Iowa ("Region 27"):

Benton, Black Hawk, Boone, Bremer, Butler, Dallas, Franklin, Grundy, Hardin, Iowa, Jasper, Johnson, Linn, Marshall, Polk, Poweshiek, Story, and Tama

Her address is 221 East Bremer Avenue, Waverly, Iowa 50677. Her business telephone number is (319) 352-1379. Ms. Meyers has also operated a Decorating Den Interiors unit franchise since March 31, 1998.

On December 31, 2025, there were 2 DDI unit franchises operating in Region 27.

E. **Kansas, Missouri.** Nola & Pat Shivers, LLC ("NPS") have served as Master Licensee since September 21, 2009 and have provided local support services in the following area ("Region 101"):

Kansas: counties of Johnson and Wyandotte.

Missouri: counties of Andrew, Atchison, Audrain, Barry, Barton, Bates, Benton, Boone, Buchanan, Caldwell, Callaway, Camden, Carroll, Cass, Cedar, Chariton, Christian, Clay, Clinton, Cole, Cooper, Dade, Dallas, Daviess, DeKalb, Dent, Douglas, Gentry, Greene, Grundy, Harrison, Henry, Hickory, Holt, Howard, Howell, Jackson, Jasper, Johnson, Laclede, Lawrence, Lafayette, Linn, Livingston, Maries, McDonald, Mercer, Miller, Moniteau, Monroe, Morgan, Newton, Nodaway, Oregon, Osage, Ozark, Pettis, Phelps, Platte, Polk, Pulaski, Putnam, Randolph, Ray, Saline, Shannon, St. Clair, Stone, Sullivan, Taney, Texas, Vernon, Webster, Worth, and Wright.

NPS is a Missouri limited liability company and was formed on September 18, 2009. Its principal business address is 1310 N. Kelly Avenue, Nixa, Missouri 65714, and its telephone number is (417) 724-9400. The principals of NPS are Nola Shivers and Pat Shivers.

Ms. Shivers has been president of NPS since its formation. She has also operated a Decorating Den Interiors unit franchise since January 1998.

Mr. Shivers has been Manager of NPS since its formation. From April 1985 to July 2006, he was the Senior Vice President of Administration and Control of John Q. Hammons Hotels, Inc.

On December 31, 2025, there were 3 DDI unit franchises operating in Region 101, of which 1 was located in Kansas and 2 were located in the state of Missouri.

F. **Massachusetts, Maine, New Hampshire**. Decorating Systems of New England, Inc. ("DSNE") has served as Regional Director since March 1, 1985 in the following areas:

Maine

New Hampshire

Massachusetts - counties of Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk, and Worcester.

DSNE is a Massachusetts corporation and was formed on March 1, 1985. Its principal business address is 551 Adams Street, Milton, Massachusetts 02186, and its telephone number is (617) 696-7414.

Donald Fawcett has been president of DSNE since March 1985. Anne Fawcett, ASID, has been treasurer of DSNE since March 1985. Mr. and Ms. Fawcett have also operated a Decorating Den Interiors unit franchise since May 16, 1973.

On December 31, 2025, there were 6 DDI unit franchises operating in Region 1, 5 of which were located within the state of Massachusetts and 1 in New Hampshire.

G. **Maryland**. Terry Varner has been District Developer since December 1, 2002 in the following zip codes within the state of Maryland ("Region 59C"):

21013	21022	21027	21030	21031	21051
21053	21057	21082	21087	21092	21093
21111	21120	21128	21131	21139	21152
21153	21156	21162	21204	21219	21220
21221	21222	21234	21236	21237	21286
21901	21902	21903	21904	21911	21912
21913	21914	21915	21916	21917	21918
21919	21920	21921	21922	21930	21001
21005	21009	21010	21014	21015	21017
21018	21028	21034	21040	21047	21050
21078	21084	21085	21130	21132	21154
21160	21161				

Her address is 118 Harford View Drive, Port Deposit, MD 21904, and her telephone number is (410) 378-3124. Ms. Varner has also operated a Decorating Den Interiors unit franchise since June 2, 1994.

On December 31, 2025, there was 1 DDI unit franchise operated in Ms. Varner's District Development Agreement territory. Ms. Varner also manages 4 other DDI franchises in Delaware under a separate agreement.

DDSI unconditionally guarantees to the unit franchisees the obligations of Regional Directors only under the unit franchises signed in their regions since 2008. These Regional Directors are shown in the following table:

Area (Part of State)	Name of Entity (if applicable)	Principal(s)
Alabama, Georgia, South Carolina	TMC Designs, Inc.	Allen Hugo
Florida	MDD, Inc.	Debbie Demboski
Maine, Massachusetts, New Hampshire	Decorating Systems of New England, Inc.	Anne Fawcett and Donald Fawcett

DDSI's financial statements are found at Exhibit D of this Disclosure Document.

H. **Michigan**. Veronica and Dorian Simmons entered into a Master License Agreement with DDSI on December 30, 2011 for Oakland County, Michigan (the "Region 120"). Effective February 1, 2012, they assigned their interest in the Master License Agreement to Michigan Design Development Group, LLC, a Michigan limited liability company formed on that date.

Their principal business address is 1600 West Maple Rd., Unit B, Wixom, MI 48390, and their telephone number is (248) 596-0300.

Ms. Simmons has been a Decorating Den Interiors franchisee since November 26, 2007. Ms. Simmons has also been Managing Member of Michigan Design Development Group, LLC since February 1, 2012.

Mr. Simmons has been Mechanical Product Engineer for Veoneer (Southfield, Michigan) since May 2018. From January 2016 to May 2018, Mr. Simmons was Product Design Engineer for Autoliv (Southfield, Michigan). From January 2015 to January 2016, Mr. Simmons was Product Design Engineer for GECOM Corporation (Novi, Michigan). From October 2010 to January 2015, Mr. Simmons was Product Engineer for TRW Automotive, Inc. (Farmington Hills, Michigan).

On December 31, 2025, there was 1 DDI unit franchise operating in Region 120.

I. **Missouri**. Decorating Missouri LLC ("DML") has served as Master Licensee since September 8, 2010 for the following areas in the state of Missouri ("Region 112"):

City of St. Louis (but not the County of St. Louis); and

Counties of Marion, Ralls, Shelby, Lewis, Macon, Adair, Knox, Lincoln, Montgomery, Warren, Gasconade, Franklin, and Pike.

In addition, DML has served as Master Licensee since June 30, 2011 for the following counties in the state of Missouri:

St. Louis, St. Charles, Jefferson, Marion, Ralls, Shelby, Lewis, Macon, Adair, Knox, Lincoln, Montgomery, Warren, Gasconade, Franklin, and Pike. She also provides support and training to one franchisee in Southern Illinois.

DML is a Missouri limited liability company organized on September 14, 2010. Its principal business address is 565 Lexington Landing, St. Charles, MO 63303, and its telephone number is (636) 244-1623.

Heidi Sowatsky has been managing member of DML since its formation. She has also operated a Decorating Den Interiors unit franchise since March 29, 2004.

On December 31, 2025, there was 3 DDI unit franchise operating in Region 112.

J. **Nevada**. Christine Ringenbach has served as District Developer since December 21, 2001 for Clark County, Nevada ("Region 20"). Her address is 20 Lantern Glow Circle, Henderson NV 89074, and her telephone number is (725) 221-9116.

On December 31, 2025, there were 3 DDI unit franchises operating in Region 20.

K. **New York.** A &S Design Inc. ("A&S"), a New York corporation, has been Master Licensee since December 31, 2012 for Westchester County, New York ("Region 121"). In October 2016, the parties mutually agreed to add all of Bronx County and the portion of Putnam County encompassing ZIP Code 10537 to Region 121.

Marina Colella has been its President of A&S since its formation on June 6, 2012. Its address is 66 Smith Avenue, White Plains, New York 10605, and its telephone number is (914) 761-6150. Ms. Colella has also operated a Decorating Den Interiors unit franchise since August 11, 2005.

On December 31, 2025, there were 3 DDI unit franchises operating in Region 121.

L. **North Carolina, South Carolina**. Hawkins Design Systems, LLC ("HDS") has served as Master Licensee since October 17, 2011 for York County South Carolina and the following portions of North Carolina ("Region 118"):

Counties of Cabarrus, Catawba, Gaston, Iredell, Lincoln, Rowan, Mecklenburg, and Union.

Patrice Hawkins has been managing member of HDS since its formation. She has also operated a Decorating Den Interiors unit franchise since September 15, 2004. Her address is 10020 Monroe St., Suite 170-233, Matthews, NC 28105, and her business telephone number is (704) 806-7651.

On December 31, 2025, there were 4 DDI unit franchises operating in Region 118, of which 3 were located in North Carolina and 1 was located in South Carolina.

M. **Ohio.** Diana Apgar has been District Developer since December 31, 2012 for the following counties in Ohio ("Region 55A"):

Butler, Clermont, Hamilton, and Warren.

Her address is 7817 Meyers Road, Middleton, Ohio 45042. Her business telephone number is (513) 425-7137. Ms. Apgar has also operated a Decorating Den Interiors unit franchise since January 25, 1991.

On December 31, 2025, there were 6 DDI unit franchises operating in Ms. Apgar's District Developer territory within the state of Ohio. Ms. Apgar also manages 2 DDI unit franchise in Kentucky.

N. **Oregon.** Jane Jincks has been District Developer since January 1, 2007 in the following Oregon counties ("Region 52"):

Benton, Clatsop, Coos, Curry, Deschutes, Douglas, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Polk, Tillamook, and Yamhill.

Her address is 84 SE Norman, Newport, Oregon 97365, and her telephone number is (541) 265-3315. She has also operated a Decorating Den Interiors unit franchise since March 1, 1996 and has managed the Portland, Oregon and Southwest Washington State area counties since 2007.

On December 31, 2025 there were 1 DDI unit franchises operating in Ms. Jincks' District Developer Agreement territory. Ms. Jincks also managed 2 other DDI units in other parts of Oregon.

O. **Pennsylvania.** Decorating Careers of Pennsylvania, LLC. ("DCP") has been Master Licensee since November 13, 2009 in the following area ("Region 102"):

> Pennsylvania counties of Chester and Delaware, and the portion of Montgomery County, Pennsylvania within the following zip codes: 19003, 19004, 19010, 19028, 19035, 19041, 19066, 19072, 19083, 19085, 19087, 19096, 19405, 19406, 19428, 19453, and 19460

In addition, on September 11, 2019, DCP purchased the rights from Graybill Associates, Ltd. for following Pennsylvania counties:

> Adams, Berks, Bradford, Bucks, Carbon, Clinton, Columbia, Cumberland, Dauphin, Franklin, Fulton, Juniata, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Mifflin, Monroe, Montgomery, Montour, Northumberland, Perry, Pike, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming and York ("Region 4").

At that time, DCP and DDSI amended the existing master license agreement to include Region 4.

DCP's address is 302 Julip Run, St. Davids, Pennsylvania 19087, and its telephone number is (610) 341-9222.

DCP is a Pennsylvania limited liability company formed on November 5, 2009. Mary Borkovitz has been managing member of DCP since its formation. She has also operated a Decorating Den Interiors unit franchise since December 19, 2006.

On December 31, 2025, there were 6 DDI unit franchises operating in Ms. Borkovitz Master License territory. Ms. Borkovitz also managed 1 DDI unit franchises in another part of Pennsylvania under a separate arrangement with DDSI.

P. **Pennsylvania.** Interior Decorating Systems of Western Pennsylvania, Inc. ("IDS") has served as Regional Manager since October 1, 1997 in the following Pennsylvania counties ("Region 96"):

Crawford, Greene, Lawrence, Mercer, Venango, Washington, Allegheny, Beaver, Butler, Fayette, Somerset and Westmoreland ("Region 96").

IDS is a Pennsylvania corporation formed on October 1, 1997. Its principal business address is 709 North Morgan Street, Meadville, Pennsylvania 16335, and its telephone number is (814) 336-3000.

Marie Feltz has been president of IDS since its formation. She also has operated a Decorating Den Interiors unit franchise since October 17, 1986.

On December 31, 2025 there were 1 DDI unit franchises operating in Region 96. Ms. Feltz also manages 1 DDI unit franchise in New York and 2 DDI unit franchise in Ohio under separate arrangements.

Q. **South Carolina.** Joyce Means has been District Developer since December 31, 2012 for the following South Carolina counties ("Region 45"):

Beaufort, Berkeley, Calhoun, Charleston, Colleton, Dorchester, Kershaw, Lexington, Orangeburg and Richland

Her address is 3500 Egret Pond Rd., Johns Island, SC 29455. Her business telephone number is (843) 793-1175. Ms. Means has also operated a Decorating Den Interiors unit franchise since February 18, 2003.

On December 31, 2025, there were 3 DDI unit franchises operating in Ms. Means' District Developer territory.

R. **Tennessee.** SK Interiors, LLC ("SK") entered into a District Manager with Decorating Den Systems, Inc. on April 8, 2015. Sandra Kozar and James Kozar are the members of SK. Its principal place of business is 1440 Charlottesville Blvd., Knoxville, TN 37922, and its telephone number is (865) 392-6222.

Under the District Manager Agreement, Sandra and Jim Kozar provide day-to-day operational assistance to franchisees on behalf of Decorating Den Systems, Inc. within the following counties in Tennessee ("Region 110"):

Anderson, Blount, Bradley, Hamilton, Knox, Loudon, Marion, McMinn, Meigs, Monroe, Polk, Roane, Sequatchie, and Sevier.

Through SK, Sandy Kozar has operated a Decorating Den Interiors franchise at the above address since February 25, 2010. Jim Kozar was General Manager of International Muffler Co., 2400 Maremont Parkway, Loudon, TN from April 2010 to September 2014.

On December 31, 2025, there were 2 DDI unit franchises operating in Region 110.

S. Virginia. Peter Lowry has served as Regional Manager since November 23, 1998 in the following areas in Virginia ("Region 91"):

Counties of Gloucester, Isle of Wight, James City, Mathews, Middlesex, Southampton, Surry, Sussex, York, Poquoson, Suffolk, and

Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Portsmouth, Virginia Beach and Williamsburg.

He has also operated a Decorating Den Interiors unit franchise since August 14, 1989.

His address is 1105 Deal Trail, Suffolk, VA 23430, telephone number is (757) 356-0082.

On December 31, 2025, there were 2 DDI unit franchises operating in the Regional Manager territory and he also provided support and training to 2 DDI franchises in other parts of Virginia under a separate agreement with DDSI.

Except as indicated above or in Item 3 of the Disclosure Document:

1. No litigation is required to be disclosed in this Disclosure Document about any person or entity named in this Exhibit A.

2. No person or entity named in this Exhibit A has been involved as a debtor in proceedings under the U.S. Bankruptcy Code so as to require disclosure in this Disclosure Document.

3. The Field Mentor has no predecessors or affiliates.

4. If the Field Mentor named in this Exhibit A is a Regional Director, Exhibit H shows its agent for service of process.

5. If the Field Mentor named in this Exhibit A is a Regional Director or Master Licensee, it has not offered franchises in any other line of business and is not involved in other business activities outside of their involvement with Decorating Den Interiors.

6. If the Field Mentor named in this Exhibit A is a Regional Director or Master Licensee, it does not anticipate opening any new unit franchises owned or operated by them during the following year.

7. If the Field Mentor named in this Exhibit A is a Regional Director (but not of other types of Field Mentors), DDSI unconditionally guarantees to the unit franchisees the obligations of the Regional Director under the unit franchise. DDSI's financial statements are found at Exhibit D of this Disclosure Document.

DECORATING DEN
INTERIORS®

DECORATING DEN SYSTEMS, INC.

EXHIBIT B

LIST OF FRANCHISE OWNERS

EXHIBIT B

LIST OF FRANCHISE

OWNERS AS OF 12/31/2025

The following table lists franchisees operating in the United States under the trade name Decorating Den Interiors as of the end of our most recent fiscal year, December 31, 2025.

Name	Street	City	ST	Zip	Phone
		ALABAMA=2			
Angelia Spraberry	637 Highland Lakes Cove	Birmingham	AL	35242	(205) 913-6015
Janah Williams	113 Brydon Circle	Madison	AL	35758	(256) 221-7495
		ARIZONA=3			
Shaunna Cooper	10663 E Meseto Ave	Mesa	AZ	85209	(480) 865-2567
Kendra Wendt	8515 E Cholla St	Scottsdale	AZ	85260	(480) 620-4328
Eva Jaramillo	1225 South 28th Drive	Yuma	AZ	85364	(928) 329-1414
		CALIFORNIA=8			
Christopher Read	10560 Rancho Rd	La Meza	CA	91941	(707) 696-4975
Michelle Jett	4485 Broken Spur Dr	La Verne	CA	91750	(909) 228-0430
Madhu Gautam	1452 N Vasco Rd S#315	Livermore	CA	94551	(510) 299-4483
Pamela Ryalls-Boyd	632 Spring Avenue	Morgan Hill	CA	95037	(408) 776-1412
Shweta Kamble	1352 Laysan Teal Drive	Roseville	CA	95747	(408) 821-4683
Pamela Berger	5694 Mission Center Rd.	San Diego	CA	92108	(619) 993-4361
Judy Flattery	1015 Diamond Crest Ct	Santa Barbara	CA	93110	(805) 729-5026
Jacqueline Summers	12700 Red Maple Cir S5	Sonora	CA	95370	(209) 532-0030
		COLORADO=4			
June Reny	2057 Ruffino Dr	Colorado Springs	CO	80921	(719) 528-6585
Sandra Schuster	2990 S Elm St	Denver	CO	80222	(720) 885-0019
Heather Sheridan	2966 Apollo Dr	Grand Junction	CO	81504	(303) 600-8410
Alina Kish	4517 Heatherhill Cir	Longmont	CO	80503	(650) 739-6556
		CONNECTICUT=2			
Deborah Rucci	441 Bushy Hill Road	Simsbury	CT	06070	(860) 431-0127
Renee Thompson	8 E Warf Rd	Waterford	CT	06385	(860) 321-5601
		DELAWARE=4			
Janice Hinzman	5207 Sandtown Rd	Felton	DE	19943	(302) 697-9354
Shelley Rodner	33061 South View Lane	Frankford	DE	19945	(302) 541-0844
Samantha Stiglitz	525 Wayland Drive	Hockessin	DE	19707	(302) 635-7617
Kathy McGroarty	32434 Free Drop Way	Millsboro	DE	19966	(215) 412-9942
		FLORIDA=26			
Ryon Jason	375 Emerson Plaza #511	Altamonte Springs	FL	32701	(407) 733-9973
Mercedes LaValla	6 Belleview Blvd Unit 603	Belleair	FL	33756	(727) 366-1761
Suzanne Christie	3701 103rd Avenue North	Clearwater	FL	33762	(727) 572-9574
Desiree Kludy	8791 NW 41st Street	Cooper City	FL	33024	(954) 608-3391
Christina Madrigal	109 Heather Lane	Delray Beach	FL	33444	(561) 825-6262
Marva Don Card	3167 Shell La	Fort Denaud	FL	33935	(239) 457-7132

Theresa Heitman	1145 Bayshore Dr #101	Fort Pierce	FL	34949	(862) 268-2846
Linda & Dana Coin	McGregor Exe Cntr 13031 McGregor Blvd, Ste 2	Ft. Myers	FL	33919	(239) 472-6551
Barbara Hayman	2872 East Lake Pointe Dr	Kissimmee	FL	34744	(484) 624-4787
Cheryl Scurlock	9739 Carnoustie Place	Lakewood Ranch	FL	34211	(941) 400-8176
Tonie Vander Hulst	19636 Weathervane Way	Loxahstchee	FL	33470	(561) 324-9090
Shayla & Paul Golando	2934 Blazing Star Dr	Melbourne	FL	32940	(850) 865-1877
Tamika Lewis	3752 NW 205 Street	Miami Gardens	FL	33055	(786) 251-8224
Claudia Leah	2126 Imperial Cir	Naples	FL	34110	(239) 431-5936
Stacy Sarikanon	2513 Edgewater Drive	Niceville	FL	32578	(850) 244-2255
Sally Giar	1525 Riverdale Drive	Oldsmar	FL	34677	(727) 789-4886
Kathie Golson	14065 Gullstrand Ave	Orlando	FL	32827	(407) 902-3011
Monique Burklow	2514 Wallace Lake Rd	Pace	FL	32571	(850) 449-9294
Diana Picarazzi	101 Euphrates Circle	Palm Beach Gardens	FL	33410	(561) 469-8117
Michelle Olivera	18690 SW 7th St	Pembroke Pines	FL	33029	(954) 612-5809
Rachael Lane	6460 Merrimac Court	Pensacola	FL	32503	(850) 741-2310
Camila Gusmao	1501 SW 52nd Way	Plantation	FL	33317	(954) 821-2179
Carole Canepari	45 May Dr	Santa Rosa Beach	FL	32459	(901) 517-2219
Jeanette & Ryan Turk	205 Ricker Ave	Santa Rosa Beach	FL	32459	(850) 660-2188
Diane Schaefer	614 Cypress Avenue	Venice	FL	34285	(941) 484-3596
Debbie Demboski	26700 Shoregrass Dr	Wesley Chapel	FL	33544	(813) 817-2264
		GEORGIA=6			
Debora Barber	476 Corbin Oak Ridge	Grayson	GA	30017	(770) 372-1952
Terri Ervin	2180 Maddox Road	Hoschton	GA	30548	(770) 995-0165
Noel Gatlin	141 Logan Pass Dr	Loganville	GA	30052	(404) 519-1692
Keely Woodford	432 Sirocco Ct	Powder Springs	GA	30127	(404) 680-8386
Deborah Cruz	402 Columbus Dr	Savannah	GA	31405	(912) 417-1593
Barbara Elliott & Jennifer WardWood	917 Main Street	Stone Mountain	GA	30083	(770) 498-7780
		IDAHO=1			
Heidi Teems	12578 N Schicks Ridge Rd	Boise	ID	83714	(208) 853-4987
		ILLINOIS=7			
Carly Jossund	5906 N Sauganash La	Chicago	IL	60646	(913) 284-4954
Phyllis Olson	836 N Paulina St Apt 101	Chicago	IL	60622	(312) 286-0152
Rebecca Pflederer	120 Cherokee Dr	Groveland	IL	61535	(309) 267-2991
Angela Rowe	4 Stuart Place	Harrisburg	IL	62946	(618) 253-4711
Jasmine Artis	420 N 2nd Ave	Maywood	IL	60153	(708) 334-7169
Colette Anaya	24725 W Prairie Grove Dr	Plainfield	IL	60585	(630) 546-5341
Danielle Leonard	24849 Barolo	Plainfield	IL	60586	(630) 618-8590
		INDIANA=2			
Mary Busscher	200 Lane 650BC Snowlake	Fremont	IN	46737	(517) 448-7728
Rebekah Perry-Clark	17252 Crescent Moon Dr	Noblesville	IN	46060	(317) 660-6421

		IOWA=2			
Karen Miller	10334 NW 42nd Street	Polk City	IA	50226	(515) 330-9960
Julie Meyers	727 Greenfield Ave	Waverly	IA	50677	(319) 352-1379
		KANSAS=1			
Sandy Burroughs	9046 Parkhill Street	Lenexa	KS	66215	(816) 741-8065
		KENTUCKY=5			
Erika Lee	752 Yorkshire Dr	Alexandria	KY	41001	(513) 304-9105
Pamela Meyers	4109 Sanctuary Bluff Lane	Louisville	KY	40241	(502) 554-1710
Kristen Pawlak	8003 Vine Crest Ave, Suite 1	Louisville	KY	40222	(502) 245-0052
Monika Dxit	5406 Merribrook Lane	Prospect	KY	40059	(502) 415-4476
Gretchen Curk	2 Major Court	Wilder	KY	41076	(513) 580-8010
		LOUISIANA=3			
Janet Robertson	1107 South Peters St #121	New Orleans	LA	70130	(504) 452-4889
Donald Tatera	6221 S Claiborne Ave S#608	New Orleans	LA	70125	(504) 754-2456
Renee Walker	100 Tupelo Drive	West Monroe	LA	71291	(318) 789-4911
		MARYLAND=9			
Ellyn Baillio	707 Fantail Ct	Annapolis	MD	21401	(410) 800-8181
Donna Rich	6006 Haversham Drive	Bowie	MD	20720	(443) 570-2450
Roz Redmond	12505 Plantation Drive	Brandywine	MD	20613	(301) 888-2133
Lynne Lawson	6971 Silent Dell Lane	Columbia	MD	21044	(410) 531-7581
Paula Tranfaglia	24008 Desert Wine Court	Damascus	MD	20872	(301) 253-2606
Candace Brooks	4049 Webster Rd	Havre de Grace	MD	21078	(410) 302-9731
Rayona Bennett	PO Box 577	Oxford	MD	21654	(410) 253-3726
Krista Shugars	8113 Ventnor Rd	Pasadena	MD	21122	(410) 855-4446
Terry Varner	118 Harford View Drive	Port Deposit	MD	21904	(410) 378-3124
		MASSACHUSETTS=5			
Rebecca McInnis	59 Birchcroft Road	Canton	MA	02021	(781) 636-8326
Donna Smith	8 East Street #101	East Walpole	MA	02032	(508) 660-8670
Katelynn Efendiyev	37 Lohnes Rd	Framingham	MA	01701	(508) 596-4852
Anne Fawcett	551 Adams Street	Milton	MA	02186	(617) 698-8303
Robin Cotter	260 Main Street	Plympton	MA	02367	(781) 585-2033
		MICHIGAN=3			
Katelynn Ostruszka	6729 Bradenwood Dr	Hudsonville	MI	49426	(616) 401-5580
Julie McCarthy	2133 Edgebrook Dr	Saginaw	MI	48609	(989) 401-0214
Veronica Simmons	1111 Parkview Ct	Wixom	MI	48393	(248) 596-0300
		MINNESOTA=3			
Gina Wolleat	4866 146th Ave, NE	Ham Lake	MN	55304	(651) 387-3861
Andrea Ritten	720 North 4th Street, #111	Minneapolis	MN	55401	(612) 254-6070
Jennifer French	11137 Stonemill Farms Curve	Woodbury	MN	55129	(843) 301-0393

		MISSOURI=5			
Nola Shivers	1310 N. Kelly Avenue	Nixa	MO	65714	(417) 724-9400
Carri Rauch	282 Melody Manor Lane	Reeds Spring	MO	65737	(417) 294-5494
Liane Constantine	436 S Van Buren Ave	Saint Louis	MO	63122	(703) 975-4912
Heidi Sowatsky	565 Lexington Landing	St. Charles	MO	63303	(636) 244-1623
Michael Martin	3810 Olive Street	St. Louis	MO	63108	(314) 422-5651
		NEVADA=4			
Christine Ringenbach	740 Flowing Meadow Dr	Henderson	NV	89014	(725) 221-9116
Tanya Kash	7021 Old Village Ave	Las Vegas	NV	89129	(702) 885-6391
Cindi White-Yanaga	3927 Camelot Cove St	Las Vegas	NV	89147	(702) 500-0570
Shannon Finn	5410 Leon Drive	Sun Valley	NV	89433	(775) 501-0079
		NEW HAMPSHIRE=1			
Cornelis J. Lotter	36 Kimball Way	Newmarket	NH	03857	(603) 969-5032
		NEW JERSEY=8			
Debra Rose	2908 Logan Rd	Asbury Park	NJ	07712	(732) 997-5152
Katrina Coxe	133 N. Martine Avenue	Fanwood	NJ	07023	(908) 322-2700
Lisa DeLorenzo	129 Cork Hill Rd	Franklin	NJ	07416	(973) 670-5063
Melissa Bouffard	36 Ridge Rd	Green Brook	NJ	08812	(732) 754-6764
Patricia Kelly	116 Briarcliff Drive	Morganville	NJ	07751	(732) 834-0090
Lucia Palmeri	857 Alexandria Court	Ramsey	NJ	07446	(201) 661-8606
Nancy Lucas	P O Box 282	Sea Girt	NJ	08750	(732) 359-7865
Valerie Ruddy	26 Martin Road	Verona	NJ	07044	(973) 239-3004
		NEW MEXICO=1			
Sherry Franzoy	4821 Broken Stone	Las Cruces	NM	88011	(575) 521-8326
		NEW YORK=8			
Julie Shadrin	49 Clayton Blvd 1714	Baldwin Place	NY	10505	(917) 324-3032
Umut Saygi	2721 Kings Highway, # 6J	Brooklyn	NY	11229	(347) 754-2343
Patricia Hughes	10452 Main Street	Clarence	NY	14031	(716) 759-1926
Marni Sugerman	2097A Boston Post Rd	Larchmont	NY	10538	(914) 829-5100
Jocelyn Winslow	465 West Market St	Long Beach	NY	11561	(904) 894-9276
Jennifer Pysnack	8380 Prestwick Drive	Manlius	NY	13104	(315) 256-0522
Cristeta Kontorinis	4 MacArthur Ave	Plainview	NY	11803	(516) 853-7179
Marina Colella	66 Smith Avenue	White Plains	NY	10605	(914) 761-6150
		NORTH CAROLINA=7			
Jo Jenkins	2619 S Edgewater Dr	Fayetteville	NC	28303	(910) 322-1357
Jane Nichols	1111 Orlando Place	High Point	NC	27262	(602) 615-8200
Natalie Keith	4842 Durneigh Drive	Kannapolis	NC	28081	(704) 796-9336
Patrice Hawkins	10020 Monroe Rd, S#170-233	Matthews	NC	28105	(704) 806-7561
Laresa Fahey	160 Waddell Rd	Mooresville	NC	28117	(704) 450-8077
Lisa Rice	5627 Picnic Rock Lane	Raleigh	NC	27613	(919) 900-0525
Denise Harris	1233 Channel Drop Loop	Zebulon	NC	27597	(410) 499-1558

		NORTH DAKOTA=1			
Lori Malloy	3357 Gallatin Drive	Bismarck	ND	58504	(701) 220-8493
		OHIO=8			
Kiran Arif	11863 Solzman Rd, Suite 2	Cincinnati	OH	45249	(513) 549-7749
Julia Cochran	860 Grants Ridge Cir	Dayton	OH	45459	(937) 438-0901
Abby Connell	1784 Windflower Court	Lebanon	OH	45036	(513) 502-9865
Carmen Mackey	904 Kerns Dr	Lebanon	OH	45036	(513) 386-7507
Diana Apgar	7817 Myers Road	Middletown	OH	45042	(513) 425-7137
Kristen Stein	70 Rydalwood Lane	Moreland Hills	OH	44022	(440) 600-7106
Monique Williams	3690 Winchell Rd	Shaker Heights	OH	44122	(216) 440-5622
Catherine Lloyd	4652 Tradition Way	Sylvania	OH	43560	(419) 517-3343
		OKLAHOMA=1			
Denise E. Huff	404 Lamp Post Road	Norman	OK	73072	(405) 308-2611
		OREGON=3			
Christine Jarski	331 NE St. Jean Pl	Hillsboro	OR	97124	(541) 680-9055
Jane Jincks	84 SE Norman	Newport	OR	97365	(541) 265-3315
Jennifer Boss	15805 SW Colony Dr	Portland	OR	97224	(503) 726-9377
		PENNSYLVANIA=8			
Angela Ast	8462 Dogwood Drive	Coopersburg	PA	18036	(215) 679-0450
Mary Jo Long	1310 Valleywood Drive	Downingtown	PA	19335	(484) 888-5844
Alyssa Weiss	928 Goodyear Rd	Gardners	PA	17324	(717) 263-4808
Marie Feltz	709 N. Morgan Street	Meadville	PA	16335	(814) 336-3000
Kim Morgan	305 Buckwalter Rd	Phoenixville	PA	19460	(610) 412-5412
Mary Borkovitz	302 Julip Run	Saint Davids	PA	19087	(610) 341-9222
Deborah Bettcher	1641 Manley Road	West Chester	PA	19380	(610) 964-8403
Kathleen Monteleone	121 Country Chase Drive	Wind Gap	PA	18091	(631) 786-5812
		SOUTH CAROLINA=5			
Joyce Means	3500 Great Egret Drive	Johns Island	SC	29455	(843) 793-1175
Grace Shetrompf	569 Rotterdam Rd	Liberty	SC	29657	(864) 506-2910
Andrea Lavigne	517 Pritchards Point Dr	Mount Pleasant	SC	29464	(843) 469-8583
Jennifer Wagener	4203 Booney Rd	Rock Hill	SC	29730	(803) 431-6896
Helen Matsko	103 Murray Blvd	Summerville	SC	29483	(843) 566-2028
		TENNESSEE=4			
Juliane Carpenter	900 Steeplechase Drive	Brentwood	TN	37027	(615) 260-7271
Kaitlyn Oakes	308 W Lane St	Church Hill	TN	37642	(423) 788-3919
Sandy Kozar	1440 Charlottesville Blvd	Knoxville	TN	37922	(865) 392-6222
Ciera Farley	151 Space Park South Dr	Nashville	TN	37211	(615) 855-9814
		TEXAS=25			
Luis Rodriguez	4903 Dufferin St	Arlington	TX	76016	(817) 449-6906
Kris Miller	4006 Hyridge Drive	Austin	TX	78759	(512) 965-5747
Shona Muccini	11404 Barbrook Cove	Austin	TX	78726	(512) 914-3541

Pragna Patel	5601 Sombria Ct	Bee Cave	TX	78738	(512) 705-1373
Annie Abanilla	4784 Benbrook Blvd	Benbrook	TX	76116	(682) 760-4775
Carrie Ann Davies	1465 Skyline Drive	Canyon Lake	TX	78133	(281) 719-0741
Lisa McQuitery	437 Quarter Mare	Cibolo	TX	78108	(210) 968-9095
Nicole Johnson	2085 Graystone Hills Dr	Conroe	TX	77304	(281) 723-3505
Lisa Porter	8080 N Central Expwy S# 1700	Dallas	TX	75206	(214) 516-7677
Brooke Coffman	825 Palmflower Ave	Frisco	TX	75036	(682) 561-6148
Karen Eves	2949 Parkwood Blvd., #411	Frisco	TX	75034	(214) 208-1890
Hope Boyd	13111 Turnbridge Trail	Houston	TX	77065	(281) 224-8824
Heather Arnold	2023 Adelle's Lane	Hudson Oaks	TX	76087	(832) 840-4061
Buskorn Aulicino	29715 Breakwater Dr	Katy	TX	77494	(346) 257-3822
Alisa Lankenau	1151 Mercer Avenue	Lantana	TX	76226	(636) 614-6464
Cindy Batten	51 Lakeside Drive	Malakoff	TX	75148	(214) 766-8868
Shonda Hendrix	1210 W Hunt St	McKinney	TX	75069	(469) 992-0244
Peggy Herrick	10303 E Crosby Lane	Missouri City	TX	77459	(281) 778-3115
Kimberly Paulus	9231 Balsam Gap	Missouri City	TX	77459	(832) 374-3954
Karrie Surface	14530 Meadowlands Dr	Mont Belvieu	TX	77523	(713) 897-1858
Vicki Rorison	24924 Hopeview Way	Montgomery	TX	77356	(832) 585-2568
Charla Traugott	103 Pronghorn Place	Montgomery	TX	77316	(337) 298-5208
LaQuetta Owens	2741 Clearwater Dr	Prosper	TX	75078	(940) 945-6777
Berenice Sanchez	2712 High Point Dr	Round Rock	TX	78664	(512) 939-0393
Jennifer Jones	23433 Bailey Drive	Tomball	TX	77375	(281) 357-0511
		VIRGINIA=13			
Janet Bertin	6618 10th St	Alexandria	VA	22307	(703) 299-0633
Ioana Tzatcheva	2317 North Monroe St	Arlington	VA	22207	(703) 303-7719
Lisa Marble	10805 St. Anton Circle	Glen Allen	VA	23060	(804) 346-3573
Antoinette Moore	907 Steamboat Lane	Heathsville	VA	22473	(804) 580-3939
Lisa Steelman	43662 Palmetto Dunes Terr	Leesburg	VA	20176	(217) 414-9229
Maria Loveless	8665 Sudley Road #209	Manassas	VA	20110	(703) 330-4451
Jaime Kirkland	4055 Ringwood Rd	Nokesville	VA	20181	(801) 836-9740
Amelia Logan	1623 Stowe Rd.	Reston	VA	20194	(703) 464-0459
Kristy Falcone	8129 Lake Pleasant Drive	Springfield	VA	22153	(703) 455-2282
Nalini Tandon	47581 Griffith Place	Sterling	VA	20165	(703) 345-8285
Peter Lowry	1105 Deal Trail	Suffolk	VA	23430	(757) 630-8719
Chad Everitt	10401 Hunter Station Rd	Vienna	VA	22181	(202) 262-8318
Amy Ahearn	2824 Castling Crossing	Williamsburg	VA	23185	(757) 561-6592
		WASHINGTON=1			
Sue Simon	14207 NE 52nd Ave	Vancouver	WA	98686	(360) 326-4522
		WISCONSIN=3			
Erin Lenius	211 N Lynndale Dr	Appleton	WI	54914	(920) 257-4108
Brandon Vincent	4401 Femrite Dr	Madison	WI	53716	(608) 310-7685
Suzan Wemlinger	608 N Broadway	Milwaukee	WI	53202	(414) 967-1992

DECORATING DEN
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DECORATING DEN SYSTEMS, INC.

EXHIBIT C

LIST OF FORMER FRANCHISE OWNERS

C. 1. Terminated or Left System January 1, 2025 to December 31, 2025

The following are Decorating Den Interiors Franchise Owners in the United States whose franchises during the last fiscal year were terminated, transferred, canceled, not renewed or otherwise ceased to do business.

Name	Street	City	State	Zip	Phone
		ARIZONA=1			
Ronnie Beckoff	36600 N Pima Rd S#402	Carefree	AZ	85377	(480) 670-9074
		FLORIDA=1			
Leonie Linscheid	6012 Yeats Manor Dr, #101	Tampa	FL	33616	(254) 913-6151
		GEORGIA=1			
Cassandra Young	P O Box 49354	Athens	GA	30604	(706) 540-8925
		MARYLAND=1			
Monique Holland	10315 Welshire Dr	Upper Marlboro	MD	20772	(202) 617-4658
		NORTH CAROLINA=2			
Valery Huffenus	3 Latrobe St	Asheville	NC	28801	(704) 807-7095
Mary Elliott	3805 Alden Street	Indian Trail	NC	28079	(704) 882-3990
		PENNSYLVANIA=2			
Stephanie Scanlon	101 3rd Street, #8	Dravosburg	PA	15034	(412) 464-9655
Sheryl Simmons	1705 Charles St	New Cumberland	PA	17070	(717) 574-4828
		TENNESSEE=1			
Amie Waller-Igou	7702 Valley View Rd	Lascassas	TN	37085	(615) 969-9195
		TEXAS=1			
Dessie Davis	21 Cypress Point	Amarillo	TX	79124	(610) 939-9411
Bonnie Pressley	4784 Benbrook Blvd	Benbrook	TX	76116	(817) 249-5779
		VIRGINIA=2			
Mimi Wilson	5861 Waterloo Bridge Cir	Haymarket	VA	20169	(703) 361-2913
Kathy Potts	88 Lockridge Lane	Lynchburg	VA	24502	(434) 525-2700
		WISCONSIN=1			
Sally Herre	34 Hawks Court	Fond du Lac	WI	54935	(262) 989-0823

C. 2. Non-Operating Status during the period January 1, 2025 to December 31, 2025

The following are Decorating Den Interiors Owners in the United States who have voluntarily chosen to enter our Non-Operating Status Program during the indicated period. These franchise owners are not currently operating.

Name	Street	City	ST	Zip	Phone
		ALABAMA=1			
Darcel El-Amin	2311 Ridgemont Drive	Birmingham	AL	35244	(205) 578-1713
		ARIZONA=1			
Carrie Lee	7087 Turquoise St	Prescott	AZ	86305	(602) 702-0645
		CALIFORNIA=2			
Rania Tabbah	1204 N Cedar Street	Glendale	CA	91207	(818) 579-3917
Bronwyn Gorman	28882 Sean Dr	Laguna Niquel	CA	92677	(949) 697-6595
		FLORIDA=3			
Angelique Bonomo	1350 River Reach, Apt 517	Ft. Lauderdale	FL	33315	(954) 651-1759
Heather Edgington	2866 Ravines Rd	Middleburg	FL	32068	(904) 397-6432
Shelley Walter	3454 Bay Meadow Ct	Windermere	FL	34786	(407) 988-7421
		OREGON=1			
Pam Carmichael	444 Pyle Drive	Grants Pass	OR	97527	(541) 441-2665
		PENNSYLVANIA=1			
Heather Franek	2503 Bottle Run Rd.	Williamsport	PA	17701	(480) 800-9412
		TEXAS=2			
Cathleen Adams	122 Cave Trail	Belton	TX	76513	(254) 760-7996
Srilatha Malladi	6704 Palermo Trail	Flower Mound	TX	75077	(214) 277-9105

The following franchisees have signed a confidentiality agreement with us during the past three (3) fiscal year:

Deanna Frazier	1615 Dorchester Dr., Ste. 100	Plano	TX	75075	(972) 867-2000

DECORATING DEN
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DECORATING DEN SYSTEMS, INC.

EXHIBIT D

FINANCIAL STATEMENTS OF DDSI

DECORATING DEN SYSTEMS, INC.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025, 2024, and 2023

Decorating Den Systems, Inc. Consolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Decorating Den Systems, Inc.
Easton, Maryland

Opinion

We have audited the accompanying consolidated financial statements of Decorating Den Systems, Inc. (a Missouri corporation) and affiliates, which comprise the consolidated balance sheets as of December 31, 2025, 2024 and 2023, and the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Decorating Den Systems, Inc. and affiliates as of December 31, 2025, 2024 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Decorating Den Systems, Inc. and affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Decorating Den Systems, Inc. and affiliate's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Decorating Den Systems, Inc. and affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Decorating Den Systems, Inc. and affiliate'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental financial information included on page 21, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements, themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

UHY LLP

Salisbury, Maryland
April 13, 2026

Decorating Den Systems, Inc.
CONSOLIDATED BALANCE SHEETS
December 31, 2025, 2024 and 2023

	2025	2024	2023
ASSETS			
CURRENT ASSETS			
Cash	**$ 780,642**	$ 2,040,701	$ 2,158,605
Restricted cash - National Brand Fund	**240,022**	653,687	927,791
Restricted cash - Merchandising Incentive Fund	**797,515**	917,548	1,317,942
Investments held-to-maturity, at cost, current portion	**245,488**	-	-
Accounts and notes receivable			
National Brand Fund receivables	**58,144**	54,634	70,957
Merchandising Incentive Fund receivables	**146,379**	169,523	199,654
Service fee receivable	**146,962**	168,634	213,344
Master, regional, and district licensing notes, current portion	**39,699**	66,635	73,270
Franchise notes, current portion	**17,268**	24,572	60,986
Less: allowance for credit losses	**(45,699)**	(55,781)	(55,781)
Due from related party	**249,493**	249,493	248,493
Contract asset	**223,120**	221,927	219,643
Refundable income taxes	**7,829**	7,829	7,829
Prepaid and other assets	**164,659**	157,007	122,272
Total current assets	**3,071,521**	4,676,409	5,565,005
PROPERTY AND EQUIPMENT - NET	**1,177,113**	303,961	383,735
OTHER ASSETS			
Franchise notes, net of current portion	**19,168**	37,001	42,218
Reacquired regional licenses, net of amortization	**99,948**	33,701	55,078
Other receivable	**50,000**	50,000	50,000
Investments held-to-maturity, at cost, net of current portion	**747,008**	-	-
Contract asset, net of current portion	**979,437**	1,026,324	1,107,793
Right-of-use assets	**74,213**	180,075	303,664
Deferred income tax asset	**386,800**	441,200	258,500
Total other assets	**2,356,574**	1,768,301	1,817,253
Total assets	**$ 6,605,208**	$ 6,748,671	$ 7,765,993

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

Decorating Den Systems, Inc.
CONSOLIDATED BALANCE SHEETS
December 31, 2025, 2024 and 2023

	2025	2024	2023
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	**$ 161,798**	$ 172,422	$ 197,175
Accrued expenses	**84,063**	34,227	64,736
Accrued payroll expenses	**97,755**	98,368	80,284
Contract liability	**535,145**	530,376	524,782
Merchandising Incentive Fund liabilities	**1,318,023**	1,260,481	1,400,190
Operating lease liability	**22,116**	160,810	144,422
Total current liabilities	**2,218,900**	2,256,684	2,411,589
LONG-TERM LIABILITIES			
Contract liability, net of current portion	**2,362,424**	2,472,660	2,664,347
Operating lease liability, net of current portion	**50,319**	15,813	153,041
Total long-term liabilities	**2,412,743**	2,488,473	2,817,388
Total liabilities	**4,631,643**	4,745,157	5,228,977
STOCKHOLDERS' EQUITY			
Class A (voting) common stock, $1 par value; 5 shares authorized, issued, and outstanding	**5**	5	5
Class B (nonvoting) common stock, $1 par value; 49,545 shares authorized, 5,437 shares issued, 4,745 shares outstanding	**5,437**	5,437	5,437
Preferred shares (nonvoting), $1,000 par value; 1,000 shares authorized, no shares issued and outstanding	**-**	-	-
Additional paid-in capital	**197,774**	197,774	197,774
Retained earnings, as restated see Note 16	**2,061,503**	2,072,702	2,597,055
Accumulated other comprehensive income (loss)	**6,626**	25,376	34,525
	2,271,345	2,301,294	2,834,796
Less: 692 shares of Class B (nonvoting) common stock in treasury	**(297,780)**	(297,780)	(297,780)
Total stockholders' equity	**1,973,565**	2,003,514	2,537,016
Total liabilities and stockholders' equity	**$ 6,605,208**	$ 6,748,671	$ 7,765,993

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

Decorating Den Systems, Inc.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
For the years ended December 31, 2025, 2024 and 2023

	2025	2024	2023
REVENUE			
Franchise sales	**$ 594,976**	$ 557,712	$ 537,105
Regional licensing fees	**24,850**	18,681	19,442
Franchise service fees	**2,193,809**	2,534,951	2,603,950
Other franchise services	**34,620**	32,207	57,960
Gross franchise revenue	**2,848,255**	3,143,551	3,218,457
DIRECT COSTS OF FRANCHISE REVENUE	**1,052,176**	1,075,010	1,147,815
Gross profit from franchise revenue	**1,796,079**	2,068,541	2,070,642
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	**1,757,612**	2,666,484	2,346,746
Income (loss) from Operations	**38,467**	(597,943)	(276,104)
OTHER INCOME (EXPENSE)			
Interest income	**10,858**	1,708	6,441
Technology, net	**31,374**	(88,857)	(96,240)
Other, net	**(27,310)**	(9,878)	(15,390)
Total other income (expense)	**14,922**	(97,027)	(105,189)
Income (loss) before provision for income taxes	**53,389**	(694,970)	(381,293)
BENEFIT FROM (PROVISION FOR) INCOME TAXES			
Current	**(10,188)**	(12,083)	(34,851)
Deferred	**(54,400)**	182,700	118,900
Total benefit from (provision for) income taxes	**(64,588)**	170,617	84,049
NET INCOME (LOSS)	**(11,199)**	(524,353)	(297,244)
OTHER COMPREHENSIVE INCOME			
Unrealized gain (loss) on foreign currency translation adjustment, net of allocated tax of $0	**(18,750)**	(9,149)	382
COMPREHENSIVE INCOME (LOSS)	**$ (29,949)**	$ (533,502)	$ (296,862)

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

Decorating Den Systems, Inc.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the years ended December 31, 2025, 2024 and 2023

	Common Stock		Treasury Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	
	Shares	Amount	Shares	Amount	Capital	Earnings	Income (Loss)	Total
BALANCE, December 31, 2022	5,442	$ 5,442	(692)	$ (297,780)	$ 197,774	$ 2,894,299	$ 34,143	$ 2,833,878
Net loss	-	-	-	-	-	(297,244)	-	(297,244)
Unrealized gain on foreign currency translation	-	-	-	-	-	-	382	382
BALANCE, December 31, 2023	5,442	5,442	(692)	(297,780)	197,774	2,597,055	34,525	2,537,016
Net loss	-	-	-	-	-	(524,353)	-	(524,353)
Unrealized loss on foreign currency translation	-	-	-	-	-	-	(9,149)	(9,149)
BALANCE, December 31, 2024	5,442	5,442	(692)	(297,780)	197,774	2,072,702	25,376	2,003,514
Net loss	-	-	-	-	-	(11,199)	-	(11,199)
Unrealized loss on foreign currency translation	-	-	-	-	-	-	(18,750)	(18,750)
BALANCE, December 31, 2025	**5,442**	**$ 5,442**	**(692)**	**$ (297,780)**	**$ 197,774**	**$ 2,061,503**	**$ 6,626**	**$ 1,973,565**

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

Decorating Den Systems, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025, 2024 and 2023

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	**$ (11,199)**	$ (524,353)	$ (297,244)
Adjustments to reconcile net loss to net cash and restricted cash provided (used) by operating activities:			
Depreciation and amortization	**122,562**	93,123	77,974
Allowance for doubtful accounts	**(10,082)**	-	-
Non-cash lease cost	**1,674**	2,749	9,855
Amortization of premium/discount on investments	**7,504**	-	-
Unrealized gain (loss) on foreign currency translation	**(18,750)**	(9,149)	382
Loss on sale of fixed assets	**-**	2,528	-
Deferred income taxes	**54,400**	(182,700)	(121,700)
(Increase) decrease in assets:			
National Brand Fund receivables	**(3,510)**	16,323	5,844
Merchandising Incentive Fund receivables	**23,144**	30,131	34,336
Service fees receivable	**21,672**	44,710	16,290
Master, regional, and district licensing notes receivable	**26,936**	6,635	4,685
Franchise notes receivable	**25,137**	41,631	(19,137)
Contract asset	**45,694**	79,185	(69,197)
Prepaid and other assets	**(7,652)**	(35,735)	(86,603)
(Decrease) increase in liabilities:			
Income tax payable	**-**	-	27,828
Trust fund liabilities	**57,542**	(139,709)	(18,217)
Accounts payable and accrued expenses	**38,599**	(37,178)	(28,005)
Contract liability	**(105,467)**	(186,093)	174,526
Net cash provided (used) by operating activities	**268,204**	(797,902)	(288,383)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	**(941,961)**	-	(4,217)
Proceeds from sale of fixed assets	**-**	5,500	-
Purchases of held-to-maturity investments	**(1,000,000)**	-	-
Reacquired regional license	**(120,000)**	-	(18,937)
Net cash provided (used) by investing activities	**(2,061,961)**	5,500	(23,154)
Net decrease in cash and restricted cash	**(1,793,757)**	(792,402)	(311,537)
CASH AND RESTRICTED CASH, BEGINNING OF THE YEAR	**3,611,936**	4,404,338	4,715,875
CASH AND RESTRICTED CASH, END OF THE YEAR	**$ 1,818,179**	$ 3,611,936	$ 4,404,338
SUPPLEMENTAL CASH FLOW INFORMATION:			
Income taxes paid	**$ 3,415**	$ 3,592	$ 4,032
Payment agreement on reacquired regional license	**$ -**	$ -	$ 37,873
Right-of-use assets and corresponding lease liabilities	**$ 58,911**	$ 24,215	$ 400,349

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

NOTE 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

These consolidated financial statements include the accounts of Decorating Den Systems, Inc., and its affiliated Trusts (collectively referred to as the Company), as described below.

Decorating Den Systems, Inc. (DDSI) is a Missouri corporation incorporated in 1969. DDSI sells regional licenses and franchises, and provides purchasing, training, marketing, and other services to franchisees doing business as "Decorating Den Interiors" in various states of the United States and Canada.

Decorating Den Interiors National Brand Fund Trust (NBF) was created by DDSI to receive funds contributed by the franchisees, which are to be used for the promotion of the Decorating Den Interiors System, and its franchisees, through national and local marketing programs. NBF incurs the expense of the public relations and advertising departments. NBF also uses its funds to pay for the administrative and management services related to the operation of the Trust.

Decorating Den Merchandising Incentive Fund Trust (MIF) was created by DDSI to administer contributions received from DDSI's preferred suppliers in the form of cash rebates, ranging from 3% to 8%, on the products and services purchased by DDSI's franchise owners. The purpose of MIF is to use its funds (i) to sponsor seminars, conventions, trips, meetings, and conferences for the education and training of franchisees, (ii) to fund merchandising services and promotions, (iii) to develop technology, online applications, and software for the DDSI System, (iv) to cure defaults by preferred suppliers to assure that franchisees receive refunds for deposits made for products ordered by customers, and (v) to promote the DDSI System. All expenditures of MIF are subject to the approval of the Trustee. MIF also uses its funds to pay for the administrative and management services related to the Trust for the benefit of the franchise system.

Significant accounting policies not disclosed elsewhere in the financial statements are as follows:

Basis of Accounting and Consolidated Financial Statement Presentation

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. All significant inter entity balances have been eliminated. The fiscal year ends on December 31 for all entities.

NBF and MIF have been determined to be variable interest entities in which DDSI is the primary beneficiary. NBF and MIF (as explained above) are Trusts created by DDSI solely to benefit, serve, and promote DDSI and its franchisees. For both Trusts, DDSI is the settlor, has the power to appoint and remove the Trustees, may at any time amend or modify the Trusts, and ultimately determines how the Trusts' funds are to be used. In addition, neither Trust has a named beneficiary. The trust agreement for MIF specifies that, to the extent that MIF's assets are insufficient to meet benefit obligations, DDSI agrees upon notice and demand from the Trustee to contribute additional funds as may be necessary to provide all benefits earned by franchisees.

NOTE 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Consolidated Financial Statement Presentation (Continued)

Since the Trusts act in substance, as agents with regard to the contributions to the Trusts, the primary assets (after consolidation) of the Trusts, which are cash accounts, are reported as restricted cash. The trust fund liabilities for MIF are reported as Merchandising Incentive Fund liabilities. See Notes 14 and 15 for a summary of the assets, liabilities, and operational results of the Trusts that have been consolidated with DDSI.

Restricted Cash

Restricted cash consists of contributions from franchisees to NBF for advertising purposes, and merchandising incentive rebates received by MIF from preferred suppliers of DDSI for the promotion of programs operation, as specified in the Trust documents.

Allowance for Credit Losses and Bad Debts

The Company uses the current expected credit loss (CECL) model to account for uncollectible trade receivables and notes receivable. The reserve for doubtful accounts is the best estimate of the amount of probable credit losses in the existing accounts and notes receivable and is determined based on lifetime expected credit losses and aging of account balances. Periodic evaluation of the adequacy of the reserve is based on historical write-offs combined with an evaluation of current conditions and reasonable and supportable forecasts including inactive accounts with outstanding balances, the aging of balances in payment agreements, adverse situations that may affect a franchisee's ability to pay, economic conditions, and other relevant factors applied to the current aging of receivables. This evaluation is inherently subjective. Unpaid balances remaining after 90 days are specifically reviewed by management and written off at that time if deemed uncollectible.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. The provision for depreciation is provided under straight line and accelerated methods over the estimated useful lives of the depreciable assets of three to thirty-one and a half years. Expenditures for improvements that extend the life of an asset are capitalized and depreciated over the asset's remaining life. Gains or losses realized in the disposition of property and equipment are reflected in the statement of income and comprehensive income. Expenditures for repairs and maintenance are charged to expense as incurred.

Impairment of Long-Lived Assets

The carrying value of long-lived assets and certain identifiable intangibles is reviewed by management for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. There were no long-lived assets deemed to be impaired at December 31, 2025, 2024, or 2023.

NOTE 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reacquired Regional Licenses

Reacquired regional licenses consist of licenses reacquired in various regions totaling $1,169,496, with accumulated amortization of **$1,069,547**, $1,012,457, and $997,116 as of December 31, 2025, 2024, and 2023, respectively. The reacquired licenses are amortized over the remaining life of the reacquired contract. Amortization expense for the years ended December 31, 2025, 2024, and 2023 was **$53,753**, $21,377, and $6,496, respectively.

Revenue Recognition

The Company's revenue consists of fees from franchisees and preferred suppliers. Revenues from franchisees include initial fees as well as service fees and contributions to NBF based on a percent of sales. Revenues from preferred suppliers are based on a percentage of purchases by franchisees from those suppliers.

ASC 2014-09 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services.

Service fees from franchisees, which are based on a percent of sales, are recognized at the time the underlying sales occur. Recognition of preferred supplier revenue in MIF occurs with the purchase of goods from designated preferred suppliers. Initial franchise fee revenue, which grants the franchisee the ability to operate under the Company brand, are recognized over the franchise term, which is generally ten years. Contributions to NBF, which are based on franchise sales, are recognized at the time of the sale.

Contract Assets and Liabilities

Contract liabilities represent initial franchisee fees which have been deferred and will be recognized as the Company satisfies performance obligations over the term of each contract. Contract assets represent costs in obtaining franchisee contracts that have been capitalized and will be recognized over the term of the contract.

Advertising

Advertising expenses associated with franchise sales activities are expensed as incurred. Total franchise advertising expenses for the years ended December 31, 2025, 2024, and 2023 were **$339,663**, $290,239, and $328,391, respectively.

Sales Tax

The Company presents sales tax charged to customers on a net basis. Therefore, such taxes are excluded from sales and are reflected as a liability, which is satisfied when remitted to the governmental authority.

NOTE 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency

The assets and liabilities of the Company's foreign operation are translated into U.S. dollars at the current exchange rate as of the date of the consolidated balance sheets, and revenue and expenses are translated at an average exchange rate for the year. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred. The translation gain (loss) for the years ended December 31, 2025, 2024, and 2023 of ($18,750), ($9,149) and $382, respectively, is presented under other comprehensive income (loss).

Securities Held-to-Maturity

The Company classifies its investments in debt securities as held-to-maturity when it has the positive intent and ability to hold such securities to maturity. Held-to-maturity securities are recorded at amortized cost and adjusted for the amortization of premiums and accretion of discounts using the effective interest method. Interest income is recognized as earned and included in the consolidated statements of income and comprehensive income.

Reclassification

Certain amounts in prior years' financial statements have been reclassified to conform to the current year's presentation.

NOTE 2. INVESTMENTS

As of December 31, 2025, the Company's investment securities consist solely of held-to-maturity U.S. Treasury notes. The Company has the positive intent and ability to hold these securities to maturity.

The following table presents the amortized cost, gross unrealized gains and losses, estimated fair value, and allowance for credit losses of held-to-maturity securities as of December 31, 2025:

December 31, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Allowance for Credit Losses
Held-to-maturity:					
U.S. Treasury notes	$ 992,496	$ 10,820	$ 5	$1,003,311	$ -
	$ 992,496	$ 10,820	$ 5	$1,003,311	$ -

NOTE 2. INVESTMENTS (CONTINUED)

The amortized cost and estimated fair value of held-to-maturity securities by contractual maturity as of December 31, 2025, are as follows:

	Held-to-maturity	
December 31, 2025	Amortized Cost	Fair Value
Due within one year	$ 245,488	$ 247,663
Due over one to five years	747,008	755,648
Due over five to ten years	-	-
Due over ten years	-	-
	$ 992,496	$ 1,003,311

The Company evaluates its held-to-maturity securities for expected credit losses in accordance with ASC 326, *Financial Instruments—Credit Losses*. U.S. Treasury securities are backed by the full faith and credit of the U.S. government and have historically experienced negligible credit losses. Accordingly, no allowance for credit losses has been recorded as of December 31, 2025.

NOTE 3. REGIONAL LICENSING NOTES RECEIVABLE

The components of regional licensing notes receivable are as follows at December 31:

	2025	2024	2023
Regional licensing notes receivable	**$ 39,699**	$ 66,635	$ 73,270
Less: current portion	**(39,699)**	(66,635)	(73,270)
Long-term portion	**$ -**	$ -	$ -

Licensing notes receivable arise from sales of regional licenses and have terms of 8 years, with interest rates at 7.00% per annum. Interest earned on licensing notes receivable is included in regional licensing fees. Annual maturities of regional licensing notes receivable at December 31, 2025 are as follows:

2026	$ 39,699
2027	-
2028	-
2029	-
2030	-
Thereafter	-
	$ 39,699

NOTE 4. FRANCHISE NOTES RECEIVABLE

The components of franchise notes receivable are as follows at December 31:

	2025	2024	2023
Franchise notes receivable	**$ 36,436**	$ 61,573	$ 103,204
Less: current portion	**(17,268)**	(24,572)	(60,986)
Long-term portion	**$ 19,168**	$ 37,001	$ 42,218

Franchise notes receivable arise from sales of franchises and have terms ranging from 4 to 5 years, with interest at 8.00% per annum. Interest earned on franchise notes receivable is included in regional licensing fees. Annual maturities of franchise notes receivable at December 31, 2025 are as follows:

2026	$ 17,268
2027	10,045
2028	5,592
2029	3,531
2030	-
Thereafter	-
	$ 36,436

NOTE 5. OTHER RECEIVABLE

MIF has a receivable from a negotiated settlement which was settled in April 2012. During 2019 a portion of the receivable was collected. The balance of the receivable will be paid from a whole life insurance policy which names MIF as an irrevocable beneficiary.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2025	2024	2023
Office furniture and equipment	**$ 149,807**	$ 149,807	$ 170,751
Leasehold improvements	**499,406**	479,106	479,105
BOSS system upgrades in progress	**921,661**	-	-
BOSS system	**621,313**	621,314	621,314
Total property and equipment	**2,192,187**	1,250,227	1,271,170
Less: accumulated depreciation	**(1,015,074)**	(946,266)	(887,435)
Property and equipment - net	**$ 1,177,113**	$ 303,961	$ 383,735

Depreciation expense for the years ended December 31, 2025, 2024, and 2023 was **$68,809**, $71,746, and $71,593, respectively.

Note 7. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements*, establishes the framework for measuring and disclosing fair value of assets and liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Fair Value Hierarchy

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – Other significant observable inputs (including quoted prices in active markets for similar assets or liabilities)
Level 3 – Significant unobservable inputs (including the Company's own assumptions in determining the fair value of assets or liabilities)

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

U.S. Treasury notes are classified as held-to-maturity and reported at amortized cost in the balance sheet, their fair values are disclosed in accordance with ASC 820. The fair value of U.S. Treasury notes is determined using quoted prices in active markets for identical assets (Level 1 inputs).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of assets could result in a different fair value measurement at the reporting date.

The following table presents fair value measurements on a recurring basis as of December 31, 2025:

	Level 1	Level 2	Level 3	Fair Value
U.S. Treasury notes held-to-maturity	$ 1,003,311	$ -	$ -	$1,003,311
Total held to maturity	$ 1,003,311	$ -	$ -	$1,003,311

NOTE 8. PAYCHECK PROTECTION PROGRAM LOAN

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, was signed into law during March 2020 in response to the COVID-19 crisis. The CARES Act established the Paycheck Protection Program (the "PPP"). The PPP was implemented by the Small Business Administration (the "SBA") and allowed approved lenders to provide small businesses with loans to pay for payroll costs including benefits, interest on mortgages, rent and utilities. The Company applied for the PPP loan through Sandy Spring Bank and received $392,700 during May 2020. This amount was forgiven during 2021.

NOTE 8. PAYCHECK PROTECTION PROGRAM LOAN (CONTINUED)

The SBA has the right to audit whether a borrower qualified for a PPP loan and met the conditions of forgiveness of the loan for up to six years after forgiveness is received. The Company believes the risk of noncompliance is not significant.

NOTE 9. INCOME TAXES

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due plus deferred taxes related to differences between financial and income tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

The principal temporary differences arise from the use of different methods for the recognition of bad debts and depreciation of property and equipment for the consolidated financial statements and federal income tax purposes, and the future benefits related to net operating losses carried forward to subsequent years. The tax effect of these temporary differences is shown in the consolidated balance sheets as deferred income tax assets.

Under the provisions of the Financial Accounting Standards Board (FASB) ASC 740, Income Taxes, tax positions initially need to be recognized in the consolidated financial statements when it is more-likely-than-not that the position will be sustained upon examination by the tax authorities. Such tax positions initially and subsequently need to be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

The Company believes that it has appropriate support for the income tax positions taken and to be taken on its tax returns, and that its accruals for tax liabilities are adequate for all open years based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter, except as noted below.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company has a potential income tax exposure in states where tax returns have not been filed in previous years, should those states assert taxing jurisdiction over the Company. Based on previous experience with state taxing authorities, and widely used administrative practices in many states, management looked back to the prior years in determining the liability for unpaid state taxes. After considering net operating loss carryforwards and carrybacks, no liability for state taxes has been reported.

The Company's income tax filings are subject to audit by the IRS and the various jurisdictions in the United States. The Company's open audit periods are years 2022 to 2024.

NOTE 9. INCOME TAXES (CONTINUED)

The provision for income taxes at December 31, 2025, 2024, and 2023 are as follows:

	2025	2024	2023
Current income taxes:			
Foreign	**$ (6,773)**	$ (8,491)	$ (5,994)
Federal	**-**	-	(27,625)
State	**(3,415)**	(3,592)	(4,032)
	$ (10,188)	$ (12,083)	$ (37,651)
Deferred income taxes:			
Federal	**$ (41,542)**	$ 139,516	$ 92,935
State	**(12,858)**	43,184	28,765
	(54,400)	182,700	121,700
Income tax (provision) benefit	**$ (64,588)**	$ 170,617	$ 84,049

Deferred income tax assets result from the following items at December 31, 2025, 2024 and 2023:

	2025	2024	2023
Deferred tax assets:			
Noncurrent:			
Allowance for doubtful accounts	**$ 12,500**	$ 15,200	$ 15,200
Net operating loss and tax credit carryforwards	**363,700**	440,500	279,600
Right-of-use assets	**19,700**	47,300	81,100
Other	**28,000**	19,000	16,600
	$ 423,900	$ 522,000	$ 392,500
Deferred tax liabilities:			
Noncurrent:			
Accumulated depreciation	**$ (16,900)**	$ (32,600)	$ (51,300)
Operating lease liabilities	**(20,200)**	(48,200)	(82,700)
	$ (37,100)	**$ (80,800)**	**$ (134,000)**
Reflected in the balance sheet as a:			
Net noncurrent deferred tax asset	**$ 386,800**	**$ 441,200**	**$ 258,500**

Generally accepted accounting principles require deferred income tax assets to be reduced by a valuation allowance, if it is not more-likely-than-not that some portion of the deferred tax assets will not be realized. No valuation allowance has been provided for the deferred tax asset, as management believes that the amount will be fully utilized in future periods.

The primary difference in the effective tax rate compared to the statutory rate is related to permanent differences for nondeductible meals and entertainment expenses and Canadian tax, which is computed on gross receipts.

The Company has federal and state net operating losses of approximately **$1,250,419**, $1,485,000 and $939,000 at December 31, 2025, 2024 and 2023, respectively. The net operating loss is related primarily to the adoption of ASU 2014-09 which resulted in $361,400 in deferred tax assets during 2019. The net operating losses can be carried forward indefinitely. Approximately $23,800 in foreign tax credit carryforwards expire during 2026 and thru 2029.

NOTE 10. RELATED PARTY TRANSACTIONS

The Company has an unsecured loan with an officer of the Company. The interest rate on the unpaid balance is at 3.21% at December 31, 2025. The balance due at December 31, 2025, 2024 and 2023 is **$248,493** and $248,493 and $248,493, respectively, and is payable on demand. Total interest received during the years ended December 31, 2025, 2024 and 2023 is **$1,708,** $1,708 and $6,441, respectively.

NOTE 11. FOREIGN OPERATION

The Company has regional franchise agreements in Canada. Franchise and service fees are recognized in accordance with the terms of these agreements and the Company's revenue recognition policies. Revenue recognized from foreign sources in 2025, 2024, and 2023 was approximately **$135,000**, $125,000, and $140,000, respectively (stated in U.S. dollars).

NOTE 12. LEASE COMMITMENTS

The Company has entered into various lease agreements for the use of office space and vehicles. These leases are classified as operating leases. Certain leases may include options to renew, with renewal terms that can extend the lease term. Lease assets and liabilities include related renewal options that are reasonably certain of being exercised. Variable payments are not included in lease payments used to determine the lease liability and are recognized as variable costs when incurred.

The Company uses a risk-free rate, ranging from 3.63% to 4.48%, that corresponds to the lease term as its incremental borrowing rate unless the lease provides an implicit rate. The weighted average remaining lease term on operating leases at December 31, 2025, 2024, and 2023 was 3.41 years, 1.25 years, and 1.99 years, respectively. The weighted average remaining discount rate at December 31, 2025, 2024, and 2023 was 3.73%, 4.22%, and 4.24%, respectively.

Future minimum lease payments under the operating leases described above are as follows:

2026	$ 24,438
2027	23,722
2028	15,845
2029	13,205
2030	-
Thereafter	-
Total undiscounted cash flows	$ 77,210
Less discount	4,775
Operating lease liabilities	$ 72,435

The Company has elected to use the practical expedient not to recognize leases that have an initial term of 12 months or less and do not include an option to purchase the underlying asset that the Company is reasonably expected to exercise. Rent expense on short term leases is recognized on the straight-line basis over the term of the lease.

Rental expense during 2025, 2024, and 2023 was approximately **$180,000**, $168,000, and $163,000, respectively.

NOTE 13. SIGNIFICANT CONCENTRATIONS

The Company maintains cash in financial institutions with insurance provided by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 and the Canada Deposit Insurance Corporation (CDIC) up to $100,000 Canadian. The Company's cash balances may exceed insured limits at times during the year.

NOTE 14. NBF'S FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following details the assets and liabilities of NBF that have been consolidated with DDSI at December 31, 2025, 2024, and 2023:

	2025	2024	2023
Total Assets	$ 530,302	$ 759,373	$ 1,050,991
Total Liabilities	$ 17,620	$ 50,724	$ 24,007

The following details the revenues and expenses of NBF that have been consolidated with DDSI at December 31, 2025, 2024, and 2023 within selling, general and administrative expenses on the consolidated statements of income and comprehensive income:

	2025	2024	2023
Total Revenues	$ 1,053,498	$ 1,132,454	$ 1,167,893
Total Expenses	$ 1,249,465	$ 1,350,790	$ 1,221,285
Net Income (Loss)	$ (195,967)	$ (218,336)	$ (53,392)

NOTE 15. MIF'S FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following details the assets and liabilities of MIF that have been consolidated with DDSI at December 31, 2025, 2024, and 2023:

	2025	2024	2023
Total Assets	$ 1,252,090	$ 1,141,116	$ 1,574,000
Total Liabilities	$ 1,331,980	$ 1,278,104	$ 1,434,049

The following details the revenues and expenses of MIF that have been consolidated with DDSI at December 31, 2025, 2024, and 2023 within selling, general and administrative expenses on the consolidated statements of income and comprehensive income:

	2025	2024	2023
Total Revenues	$ 572,865	$ 594,237	$ 627,088
Total Expenses	$ 515,767	$ 831,176	$ 739,171
Net Income (Loss)	$ 57,098	$ (236,939)	$ (112,083)

NOTE 16. MANAGEMENT'S REVIEW

In preparing the financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 13, 2026, the date that the financial statements were available to be issued.

SUPPLEMENTARY FINANCIAL INFORMATION

Decorating Den Systems, Inc.
STATEMENT OF INCOME AND COMPREHENSIVE INCOME
Decorating Den Systems, Inc. (excludes affiliated Trusts)
For the years ended December 31, 2025, 2024 and 2023

	2025	2024	2023
REVENUE			
Franchise sales	**$ 594,976**	$ 557,712	$ 537,105
Regional licensing fees	**24,850**	18,681	19,442
Franchise service fees	**2,193,809**	2,534,951	2,603,950
Other franchise services	**34,620**	32,207	57,960
Gross franchise revenue	**2,848,255**	3,143,551	3,218,457
DIRECT COSTS OF FRANCHISE REVENUE	**1,052,176**	1,075,010	1,147,815
Gross profit from franchise revenue	**1,796,079**	2,068,541	2,070,642
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	**1,758,743**	2,211,209	2,181,271
Income (loss) from Operations	**37,336**	(142,668)	(110,629)
OTHER INCOME (EXPENSE)			
Interest income	**10,858**	1,708	6,441
Technology, net	**171,373**	51,142	37,093
Other, net	**(27,310)**	(9,878)	(15,390)
Total other income (expense)	**154,921**	42,972	28,144
Income (loss) before provision for income taxes	**192,257**	(99,696)	(82,485)
BENEFIT FROM (PROVISION FOR) INCOME TAXES			
Current	**(10,188)**	(12,083)	(34,851)
Deferred	**(54,400)**	182,700	118,900
Total benefit from (provision for) income taxes	**(64,588)**	170,617	84,049
NET INCOME	**127,669**	70,921	1,564
OTHER COMPREHENSIVE INCOME			
Unrealized gain (loss) on foreign currency translation adjustment, net of allocated tax of $0	**(18,750)**	(9,149)	382
COMPREHENSIVE INCOME	**$ 108,919**	$ 61,772	$ 1,946

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

DECORATING DEN SYSTEMS, INC.

EXHIBIT E

FRANCHISE AGREEMENT,
STATE LAW ADDENDA

AND

RELATED AGREEMENTS

DECORATING DEN
INTERIORS®

DECORATING DEN SYSTEMS INC.
FRANCHISE AGREEMENT

THIS AGREEMENT ("Agreement") is entered into on the date set forth below by and among:

- **Decorating Den Systems, Inc.**, a Missouri corporation ("DDSI");
- The person(s), corporation, limited liability company, partnership or other entity listed in the Signature Page to this Agreement (jointly and severally referred to as "Franchisee"); and,
- If a Regional Director has been appointed by DDSI for Franchisee's Territory, the Regional Director is listed on the Signature Page to this Agreement ("Regional Director").

Recitals:

A. As a result of time, skill, effort and money, DDSI has developed and owns a unique system for opening and operating a **DECORATING DEN INTERIORS**® business designed to provide a mobile, shop-at-home or place of business interior decorating service through a uniform system using specified marks ("DDI Franchise"). A DDI Franchise markets, offers and sells DECORATING DEN INTERIORS Products and Services through a uniform system under the business format created and developed by DDSI, and which is known as the "DECORATING DEN INTERIORS System" and is further defined below. The DECORATING DEN INTERIORS Products and Services consist of draperies and drapery hardware, fabric, furniture, accessories, decorative shades, wallpaper, carpet, and all other related home and commercial furnishing merchandise, interior decorating services, and labor. The term "Marks" means those proprietary marks registered or pending with the United States Patent and Trademark Office, including without limitation "**DECORATING DEN INTERIORS**", as well as all common law trademarks and service marks, trade names, trade dress, logo types, insignias, designs and other commercial symbols that DDSI now or hereafter uses and authorizes others to use in conjunction with the DECORATING DEN INTERIORS System.

B. DDSI has, by considerable expenditure, created a demand for DECORATING DEN INTERIORS Products and Services and has created substantial goodwill associated with the Marks.

C. Franchisee desires to acquire a DDI Franchise and to obtain a non-exclusive right to use the Marks in conjunction with the operation of an interior decorating business and desires to obtain experience and know-how with respect to the sale of DECORATING DEN INTERIORS Products and Services and the DECORATING DEN INTERIORS System.

NOW, THEREFORE, the parties agree as follows:

1. GRANT OF RIGHT

1.1 DDSI hereby grants to Franchisee, and Franchisee hereby accepts, a non-exclusive license and the right to use the Marks and the DECORATING DEN INTERIORS System in conjunction with the sale of DECORATING DEN INTERIORS Products and Services, and the developmental and promotional rights in the operation of Franchisee's business only from the Designated Location described on the Signature Page of this Agreement. Subject to the provisions of Section 1.3 below, no territorial rights or limitations shall accompany this grant; provided, however, DDSI shall comply with the franchise grant limitations DDSI publishes in the Policy and Procedure Manual (as hereinafter defined).

1.2 The term "DECORATING DEN INTERIORS System" shall mean a comprehensive marketing and operational system prescribed by DDSI to be used in the conduct of the franchised business, as set forth in this Agreement and a manual of operational guidelines and requirements, which DDSI may amend from time to time (the "Policy and Procedure Manual"). The DECORATING DEN INTERIORS System shall include, among other things, the Marks and certain advertising, marketing and sales programs and techniques, DDSI controlled telephone numbers, training programs and materials, artwork, graphics, layouts, slogans, names, titles, text and other intellectual property that DDSI makes available to Franchisee. DDSI, in its sole discretion, may improve and/or change the DECORATING DEN INTERIORS System from time to time (including adding to, deleting or modifying elements of the DECORATING DEN INTERIORS System, establishing categories or classifications of Franchisees and amending the Policy and Procedure Manual) for the intended purpose of making the DECORATING DEN INTERIORS System more effective, efficient, economical or competitive; adapting to or taking advantage of competitive conditions, opportunities, technology, materials or local marketing needs and conditions; enhancing the reputation or public acceptance of the DECORATING DEN INTERIORS System; and/or better serving the public.

1.3 Franchisee recognizes, acknowledges and agrees that DDSI has heretofore granted certain franchises that include exclusive developmental and promotional rights only within defined geographical territories (a "Restricted Territory"). Franchisee shall not (i) advertise or promote the DDI Franchise in any Restricted Territory by means of advertising that can be reasonably restricted to specific geographical areas or addresses, including but not limited to, direct mailings, door leaflets, and localized signs, and (ii) hire independently contracted or employed decorators to develop business within a Restricted Territory.

1.4 As used herein, promotional rights include all forms of advertising and promotion for new customers, including but not limited to, direct mailings, door leaflets, and localized signs. It further includes customer leads obtained through group advertising and pooled, centralized telephone arrangements in which Franchisee participates, or as specified in the Policy and Procedure Manual. As used herein, developmental rights include hiring independently contracted decorators in order to develop the franchised business.

1.5 DDSI and Regional Director agree to use Reasonable Business Judgment in the exercise of their respective rights, obligations and discretion under this Agreement, except where otherwise provided in this Agreement. "Reasonable Business Judgment" means that DDSI's or Regional Director's determination shall prevail even in cases where other alternatives are also reasonable so long as DDSI and Regional Director intend to benefit or act in a way that could benefit the DECORATING DEN INTERIORS System by, among other things, enhancing the value of the Marks, increasing customer satisfaction, or minimizing possible customer brand confusion. Franchisee recognizes and agrees that the long-term goals of the DECORATING DEN INTERIORS System, and the long-term interests of DDSI, the Regional Director, Franchisee and all franchisees, taken together, require that DDSI and Regional Director have the latitude to exercise Reasonable Business Judgment.

2. TERM AND RENEWAL

2.1 Initial Term.

Unless earlier terminated pursuant to the terms of this Agreement, the initial term of this Agreement shall be for a period of five (5) years from the date hereof (the "Initial Term").

2.2 Renewal.

This Agreement shall be renewed for additional terms of five (5) years each, unless (i) DDSI and Regional Director, on the one hand, or (ii) Franchisee, on the other, delivers to the other notice of its intent not to renew not less than three (3) months before expiration of the current term. The following conditions must be met prior to each renewal:

a. Franchisee shall, at Franchisee's sole expense, conform the business vehicle to DDSI's then-current specifications;

b. Franchisee shall not be in default of any provision of this Agreement or any other agreement between Franchisee, DDSI and/or Regional Director, and have substantially and timely complied with all of the terms and conditions of this Agreement and such other agreements during the terms thereof;

c. Franchisee shall have satisfied all monetary obligations owed by Franchisee to DDSI or Regional Director and their subsidiaries and affiliates pursuant to this Agreement and any other agreement between Franchisee and DDSI and/or Regional Director or their subsidiaries or affiliates, and shall have timely met those obligations throughout the terms thereof;

d. If requested by DDSI at least sixty (60) days in advance of the expiration date but subject to DDSI's compliance with applicable disclosure requirements imposed by federal or state laws, Franchisee shall execute DDSI's then-current form of Franchise Agreement for the renewal term stated herein, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement and may include, without limitation, a higher Service Fee, NBF Fee, and other fees. There is no fee charged by DDSI or Regional Director for a renewal of this Agreement;

e. Franchisee shall execute a release, in form and content prescribed by DDSI, of any and all claims of Franchisee, of whatever nature or kind, against DDSI and Regional Director and their respective shareholders, officers, employee, agents, subsidiaries and affiliates, successors and assigns, including without limitation claims arising under this Agreement and any other agreement between Franchisee and DDSI and/or Regional Director or their subsidiaries or affiliates, and under any federal, state, and local laws, rules, and ordinances; and

f. Franchisee shall meet and be in compliance with DDSI's then-current qualification and training requirements, including those of Decorating Den Interiors University ("DDIU").

3. INITIAL AND CONTINUING FEES

3.1 Initial Franchise Fee.

In consideration of the rights and privileges granted to Franchisee herein and the initial services to be rendered and material to be provided by DDSI and Field Mentor (as hereinafter defined), Franchisee shall pay to DDSI and Regional Director the sum of **Thirty-Nine Thousand, Nine Hundred Dollars ($39,900.00)**, (hereinafter referred to as the "Initial Franchise Fee"). If Franchisee is a veteran of the United States armed forces, and qualifies under the VetFran program, the Initial Franchise Fee shall be Thirty-Five Thousand, Nine Hundred Dollars ($35,900.00). The Initial Franchise Fee is payable at the time of the execution of this Agreement by one of the payment methods described below, shall be deemed earned in full, and is non-refundable.

3.2 Payment Methods.

At the option of Franchisee, the Initial Franchise Fee may be paid by either of the following two (2) options. Franchisee shall select the method of payment by initialing where provided below next to the selected option.

a. Cash Option - The Initial Franchise Fee shall be paid in full upon the execution of this Agreement by certified or cashier's check or other check acceptable to DDSI and the Regional Director.

b. Finance Option - Concurrently with the execution of this Agreement, the Franchisee shall pay by certified or cashier's check or other check acceptable to DDSI and Regional Director the down payment amount of $_____and shall execute and deliver a promissory note in the form attached hereto as Exhibit "1" (the "Promissory Note"), payable to DDSI, in the principal amount of $_____, said amount being the difference between the down payment and the Initial Franchise Fee, bearing an interest rate of eight percent (8%) per annum, with a term of up to 60 months. Principal plus accrued interest will be payable in equal amortized monthly payments of the amount entered on the Promissory Note, with the first such payment due on the first day of the first full calendar month after the date of completion of DDIU, but in no event later than nine months from the Date hereof. The Promissory Note may be prepaid in whole at any time. Installment payments on the Promissory Note will be made by a direct debit of Franchisee's bank account for such amounts on the due date, utilizing the Automated Clearing House (ACH) or other automatic bank payment function. All bank charges for such electronic direct debit shall be borne by Franchisee. Franchisee shall concurrently with the execution of this

Agreement, and from time to time thereafter upon request by DDSI, execute an appropriate authorization agreement for automatic payment to permit a bank designated by DDSI to initiate debit entries to, and to debit, the bank account designated by Franchisee. The sum of the cash down payment and the principal amount of the Promissory Note under this Finance Option shall equal the Initial Franchise Fee.

3.3 Service Fees.

a. In addition to the Initial Franchise Fee, Franchisee shall pay to DDSI or Regional Director a recurring service fee ("Service Fee"), equal to and calculated as a specified percentage of Gross Sales (as defined below). Service Fees shall be reported and paid as set forth in Section 7 of this Agreement. The Service Fee shall be Nine Percent (9%) of Gross Sales and may be reduced below Nine Percent (9%) as set forth on the table below.

b. If and so long as Franchisee meets the Principal Qualifying Conditions, the Service Fee percentage will be reduced below nine percent (9%) as follows:

CUMULATIVE GROSS SALES (on which Service Fees have been paid)	SERVICE FEE PERCENTAGE
$0 – 1,000,000	9%
$1,000,001 - 2,000,000	8%
OVER $2,000,000	7% Permanently

The Service Fee percentages are based on cumulative Gross Sales on which Service Fees have been paid over the life of the Agreement, including all renewal terms. The amount of Gross Sales required to cause a reduction in Service Fee percentage may be increased by DDSI once each calendar year, but such increase may not exceed the increases in the Consumer Price Index ("CPI") for the immediately preceding calendar year.

For purposes of this Agreement, the term "Principal Qualifying Conditions" means having a business vehicle meeting DDSI's specifications and, if we request, providing us with photos of the business vehicle, timely submitting monthly reports of Gross Sales, timely paying all fees due under the Franchise Agreement, complying with our website and blog policies, and having a valid ACH agreement on file.

3.4 National Brand Fund Contribution.

a. Generally, Franchisee shall pay to DDSI for contribution to the National Brand Fund Trust a recurring advertising and marketing fee (the "NBF Fee") equal to Four Percent (4%) of Gross Sales, calculated on the 15th and last day of each calendar month. However, if DDSI has an NBF Fee

Reduction Program in existence, Franchisee's NBF Fee shall range from One Percent (1%) to Four Percent (4%) of Gross Sales , based upon Franchisee's Annual Gross Sales for the prior calendar year:

Annual Gross Sales	NBF Fee
$0 - $200,000	4%
$200,000.01 to $300,000	3%
Over $300,000	1%

DDSI may change or eliminate the NBF Fee Reduction Program at any time after 30 days' notice.

If the total NBF Fees for any calendar month are less than the One Hundred Dollar ($100.00) monthly minimum (the "Monthly NBF Minimum"), the Franchisee shall pay the difference and such amount shall be included in the invoice issued on the last day of the month. The NBF Fees are non-refundable. The NBF Fees so collected shall be placed in the Decorating Den National Brand Fund Trust and will be segregated from other funds of DDSI. DDSI may increase the Monthly NBF Minimum once each calendar year, but such increase may not exceed the increases in the CPI for the immediately preceding calendar year.

b. The monies accumulated in the National Brand Fund Trust shall be spent on branding, national, regional, or local media, advertising or other marketing techniques or programs designed to communicate the services of DECORATING DEN INTERIORS franchisees and enhance and promote the DECORATING DEN INTERIORS brand image and awareness to the public. In addition, these funds may also be expended for market research and development, test or target marketing, the conducting of surveys, creative and production costs, reimbursement to DDSI for reasonable accounting, administrative and legal expenses associated with the National Brand Fund Trust, internal expenses incurred in connection with the operation of the DDSI advertising and public relations departments, or for other purposes deemed appropriate to enhance and promote the general recognition of the DECORATING DEN INTERIORS System and the Marks.

c. The specific use of the National Brand Fund Trust for the purposes set forth herein shall be determined and budgeted by DDSI with the advice of the Decorating Den Franchise Owners Board of Advisors, called The Leadership Council. The parties hereby acknowledge and understand that funds of the National Brand Fund Trust may be expended in any territory (national, regional, or local) without any requirement that expenditures of the National Brand Fund Trust be apportioned in relation to the amount of contributions made by Franchisee.

3.5 Technology Fee

Franchisee shall enter into and maintain such technology license and support agreement, or similar agreement, as DDSI may reasonably require from time to time, whether with DDSI or its designated supplier.

3.6 Gross Sales.

The term "Gross Sales," as used in this Agreement, shall be defined as the aggregate gross amount of all revenues from whatever source derived (whether an item sold was purchased through the Preferred Supplier Program or any other source), billed in Franchisee's retail sales orders, either oral or written, including without limitation DDI Products and Services, design and consultation fees, any installation fees, freight, or other items billed to the customer, less only sales tax, discounts, cancellations or returns allowed. In addition, Gross Sales includes all sales made by decorators, employees or independent contractors whose sales are placed through the Franchisee. "Personal Sales", as defined in the Franchisee Policy and Procedure Manual, are not included in Gross Sales.

3.7 Consumer Price Index.

For purposes of this Agreement, the term "Consumer Price Index" or "CPI" shall mean the "Consumer Price Index – All Urban Consumers (1982-1984 = 100)" published monthly by Bureau of Labor Statistics of the United States Department of Labor. If the CPI is discontinued, comparable statistics on the purchasing power of the consumer dollar (U.S.) published by the Bureau of Labor Statistics of the United States Department of Labor or its successor shall be used for making the computations required by this Agreement.

4. OBLIGATIONS OF DDSI AND FIELD MENTOR

4.1 Role of Field Mentor.

As used herein, the term “Field Mentor” is a general term referring collectively to a Master Licensee, Regional Director, Regional Manager, or District Developer appointed by DDSI. If a Master Licensee or a Field Mentor has been appointed for the territory encompassing the Designated Location, the Field Mentor, with the assistance of DDSI, will provide the services described in this Agreement. If no Field Mentor has been appointed for the territory encompassing the Designated Location, DDSI will provide the services and references to “Field Mentor” in this Agreement shall have no effect.

4.2 Additional Role of Regional Director.

If DDSI has appointed a Regional Director for the territory encompassing the Designated Location, the Regional Director shall be a signatory to this Agreement and shall provide the services to Franchisee as set forth herein. DDSI reserves the right to appoint a Regional Director and to include an appointed Regional Director as a party to this Agreement at any time during the Agreement term or any renewal term.

4.3 DDSI and Field Mentor Services.

a. DDSI shall make available through its employees (or, where applicable, shall cause the Field Mentor to make available) to Franchisee training in decorating, marketing, operations, management, and finance, and shall provide instruction for the set-up, commencement and ongoing operation of Franchisee's franchised business. The ultimate form, content and extent of the training, programs, and ongoing assistance shall be determined by DDSI and Field Mentor, but shall include the following:

(i) Loan of a Policy and Procedure Manual to Franchisee during the term of this Agreement, and providing sales and training aids deemed advisable by DDSI and Field Mentor from time to time.

(ii) Provide mandatory basic training at the Decorating Den Interiors University ("DDIU") relating to DECORATING DEN INTERIORS Products and Services and the DECORATING DEN INTERIORS System. All basic training shall be provided at locations to be determined by DDSI or Field Mentor. The tuition cost of DDIU for 1 person is included in the Initial Franchise Fee, but Franchisee shall pay all travel, lodging, meals, and daily living expenses incurred to attend the training.

(iii) Make available optional "Lifestyle University" training on a continuing basis. Lifestyle University's continuing education program provides Franchisee with education in product knowledge, lifestyle design, sales and marketing, and business management. Franchisee will be charged a fee that, at the time of execution of this Agreement ranges from $75 to $150 per day, and may change. This fee covers the costs of the trainer, instruction materials and manuals, training room and meals or refreshments. Franchisee shall pay for all travel, lodging and daily living expenses incurred in attending Lifestyle University training. This training shall be conducted by experienced, qualified instructors chosen by DDSI and/or Field Mentor.

(iv) Make available additional, optional training in areas which may include, without limitation, advanced window product design, measuring and sales techniques, bookkeeping, and introductory instruction for products offered by DDSI. Fees charged for the optional training and costs must be borne by Franchisee, as described in Section 4.2.a.(iii), above.

(v) Provide an initial supply of DECORATING DEN INTERIORS product samples, catalogues and brochures. Additional samples, catalogues, brochures, and supplies may be obtained at Franchisee's expense.

(vi) Provide advertising assistance, planning and programs for promotional pieces, including seasonal and special promotions, layouts for newspapers and recommendations for their use. Franchisee shall pay DDSI for materials and media actually used by Franchisee. The cost of these materials and media is not included in the NBF Fees described in Section 3.4, above.

(vii) Assistance in opening accounts with selected preferred suppliers.

(viii) Provide to Franchisee a personal web page or sub-domain linked to DDSI's website and an email address for use in connection with the operation of Franchisee's franchised business.

b. The location and scheduling of the services described in this Section 4.3 shall be at the discretion of DDSI and/or Field Mentor.

5. FRANCHISEE'S OBLIGATIONS

5.1 Franchisee Organization.

a. In the event Franchisee is a corporation, limited liability company ("LLC") or a partnership, Franchisee represents, warrants, and covenants that:

(i) All of the stockholders, LLC members or partners of Franchisee shall complete the required information and execute the Certification and Guaranty attached to this Agreement as Exhibit 2.

(ii) If Franchisee is a corporation or LLC, Franchisee shall maintain at all times a current list of voting securities in Franchisee. If Franchisee is a partnership, Franchisee shall maintain at all times a current list of all owners of an interest in the partnership. In the event there is a change in such ownership, Franchisee shall provide such information to DDSI within five (5) days subsequent to any such change, and shall execute any documents deemed necessary by DDSI in order to reflect such changes, including without limitation execution by the new owners of a Certification and Guaranty.

(iii) In the event that any officer or director of Franchisee shall cease to serve as such or any individual shall be elected as an officer or director of Franchisee subsequent to the execution of this Agreement, Franchisee shall provide DDSI with notice thereof within five (5) days subsequent to any such change.

b. Franchisee acknowledges and agrees that the representations, warranties, and covenants set forth above in Section 5.1.a. are continuing obligations of Franchisee and that any failure to comply with such representations, warranties and covenants shall constitute an event of default under Section 9 of this Agreement.

c. If Franchisee is a corporation, LLC, partnership, or is composed of more than one individual, one shareholder or partner shall own more than a fifty percent (50%) interest in Franchisee, or a majority interest in the franchise business, and that shareholder, partner or individual shall be designated to make all decisions for Franchisee. The designee will have the authority to cast the deciding vote on all Franchisee decisions of any type, where a decision is required. Notice to the designee will be notice to all parties involved or associated with Franchisee.

5.2 Promotion; Operations.

Franchisee shall use its best efforts to promote actively the sale of DECORATING DEN INTERIORS Products and Services, and to maintain and extend, whenever possible, excellent DECORATING DEN INTERIORS business relations, goodwill, and reputation with customers, suppliers, and others. In connection therewith, Franchisee shall obtain or subscribe to such software, applications or other marketing tools, whether from DDSI or designated suppliers, as DDSI may reasonably determine from time to time.

Franchisee shall operate the franchised business only from the Designated Location and only under the Agreed Business Name, as hereinafter defined, in accordance with the Policy and Procedure Manual, and with other written directives as DDSI may publish from time to time. For purposes of this Agreement, the "Agreed Business Name" shall be

Decorating Den Interiors (or such other trademark as DDSI shall require from time to time) unless the parties shall agree to a different business name.

DDSI shall have the right to modify the Policy and Procedure Manual at any time by the addition, deletion or other modification of the provisions thereof. DDSI agrees that although such modifications to the Policy and Procedure Manual may be material in that they may have an effect on the operation of the franchised business, they may not conflict with or materially alter the terms of this Agreement. All such additions, deletions or modifications shall be effective at DDSI's election (i) five (5) business days after DDSI has deposited notification to Franchisee with the United States Postal Service properly addressed, or (ii) the next business day after verified receipt by Franchisee of electronic mail notification, or (iii) the next business day after notification is posted on DDSI's proprietary, cloud-based technology system, known as Back Office Support System ("B.O.S.S.").

All additions, deletions or modifications to the Policy and Procedure Manual shall be equally applicable to all similarly situated Franchisees. The Policy and Procedure Manual, as modified or amended from time to time, shall not alter Franchisee's fundamental status and rights under this Agreement. As modified from time to time, the Policy and Procedure Manual shall be deemed to be an integral part of this Agreement and references to the Policy and Procedure Manual made in this Agreement, or in any amendments or exhibits hereto, shall be deemed to mean the Policy and Procedure Manual, as amended from time to time.

If DDSI produces a printed version of the Policy and Procedure Manual, DDSI shall lend to Franchisee at no additional charge one copy of the Policy and Procedure Manual. All copies of the Policy and Procedure Manual shall at all times remain the sole, confidential and trade secret property of DDSI. Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall immediately return all printed copies of the Policy and Procedure Manual to DDSI. Except as specifically permitted by DDSI, at no time may Franchisee, or its employees or agents, make, or cause to be made, any copies or reproductions of all or any portion of the Policy and Procedure Manual or disclose the terms thereof to any other person except employees and agents of Franchisee when required in the operation of the Franchised Business.

5.3 Use, Display and Ownership of the Marks.

a. Franchisee shall use only the Agreed Business Name and the Marks designated by DDSI and shall use them only in the manner authorized and permitted by DDSI. Any unauthorized use of the Marks shall constitute an infringement of DDSI's rights and an event of default under this Agreement in accordance with Section 9.

b. During the term of this Agreement, Franchisee shall use only the Agreed Business Name and the Marks for the operation of the DDI Franchise or in advertising related to the DDI Franchise`. Franchisee expressly agrees to cease use of the Marks after the assignment, expiration, termination or non-renewal of this Agreement and shall take appropriate action to remove the Marks from Franchisee's business vehicle and to cancel any advertising relating to Franchisee's use of the Marks, including yellow pages listings.

c. During the term of this Agreement, Franchisee shall identify itself as the owner of the franchised business in conjunction with any use of the Marks, including, but not limited to, use on invoices, order forms, receipts, contracts, stationery, and business cards. Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of DDSI. Franchisee shall not use the Marks as part of its corporate or other legal name. Franchisee shall comply with DDSI instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by DDSI to obtain protection for the Marks or to maintain their continued validity and enforceability.

d. Franchisee shall immediately notify DDSI of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee and Franchisee's principals agree that they will not communicate with any person other than DDSI and DDSI's counsel in connection with any such infringement, challenge, or claim. DDSI shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation, or Patent and Trademark Office or other proceeding arising out of any infringement, challenge, or claim, or otherwise relating to any of the Marks. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of DDSI, maintain DDSI's interests in any such litigation or Patent and Trademark Office or other proceeding, or to otherwise protect and maintain DDSI's interest in the Marks.

e. Franchisee expressly understands and acknowledges that:

(i) DDSI is the owner of the Marks with exclusive rights to use and license the Marks;

(ii) Franchisee shall not directly or indirectly contest the validity of the Marks;

(iii) Franchisee's use of the Marks pursuant to this Agreement does not give Franchisee any ownership or other interest in or to the Marks, except the license granted by this Agreement. Any and all goodwill arising from Franchisee's use of the Marks in its franchised operation under this Agreement shall inure solely and exclusively to the owner of the Marks, and upon the expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Marks;

(iv) The right and license of the Marks granted hereunder to Franchisee is nonexclusive, and DDSI thus has and retains the right to grant other licenses for use of the Marks, in addition to those licenses already granted to existing Franchisees, and the right to develop and establish other systems using the Marks or other names or marks, and to grant licenses or Franchises thereto without providing any rights therein to Franchisee;

(v) DDSI reserves the right to add or substitute different Marks for use in identifying the System and the business operating thereunder if DDSI's currently owned Marks no longer can be used, or if DDSI, in its sole discretion, determines that the addition or substitution of different Marks will be beneficial to the System. In such event DDSI may require Franchisee at Franchisee's sole expense to discontinue or modify Franchisee's use of any of the Marks or to use one or more additional or substitute Marks.

5.4 Approved Advertising.

All advertising and promotion by Franchisee in any medium, including the Internet and on social media, shall be conducted in a dignified manner and shall conform to the standards and requirements of DDSI as set forth in the Policy and Procedure Manual, or otherwise. Franchisee shall obtain DDSI's approval of all advertising and promotional plans and materials prior to use, if such plans and materials have not been prepared by DDSI or previously approved by DDSI during the past twelve (12) twelve months. Franchisee shall submit such unapproved plans and materials to DDSI (by personal delivery or through the mail) and DDSI shall approve or disapprove such plans and materials within fourteen (14) days from the date of receipt thereof by DDSI. Franchisee shall not use unapproved plans or materials until they have been approved by DDSI. Franchisee shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from DDSI.

Franchisee agrees to use only the personal uniform resource locator or sub-domain and the email address that DDSI provides in the operation of Franchisee's franchised business.

Franchisee may not use any Marks as part of an Internet domain name, perform digital marketing, or display the Marks or services from the DECORATING DEN INTERIORS System on an Internet website, or use any other email address in connection with the franchised business without DDSI's express written authorization

5.5 Approved Products and Services.

Franchisee shall not offer for sale interior decorating products or services for which Franchisee lacks sufficient skill and knowledge to provide the high level of service associated with the DECORATING DEN INTERIORS Products and Services.

5.6 Business Vehicle and Warehouse/Retail Locations.

a. Within ninety (90) days of the date of this Agreement but before beginning operations under this Agreement, Franchisee shall acquire a vehicle (the "Business Vehicle") meeting DDSI specifications to be used in connection with the franchised business, suitable for carrying samples to the customer's home or office. Thereafter, throughout the term of this Agreement, Franchisee shall maintain the Business Vehicle according to the standards established by DDSI from time to time. If requested by DDSI, Franchisee shall provide DDSI with a photograph and pertinent specifications of the Business Vehicle. If Franchisee lives in an area that prohibits the parking of vehicles with commercial markings, Franchisee shall make arrangements to park the business vehicle in a garage or other permissible location at Franchisee's expense. A representative of DDSI or Regional Director may inspect Franchisee's Business Vehicle and the Designated Location during normal business hours, upon forty-eight (48) hours' notice to Franchisee.

b. The License granted by this Agreement contemplates that Franchisee shall operate a primarily home-based, mobile, shop-at-home or shop-at-the-office business. Franchisee may, by notice given to DDSI but without further approval from DDSI, utilize an office and/or warehouse location provided that it is not designed for use or used as a retail location. Any such office and/or warehouse location may not display any signage that is visible to any

public thoroughfare, may not be open to the general public, and must be located within ten (10) miles from the Designated Location (unless DDSI consents in writing to the office/warehouse being located more than ten (10) miles from the Designated Location; and DDSI shall have the right to terminate such consent upon ninety (90) days' notice). DDSI shall have the opportunity to approve in advance and in its sole determination any signs appearing on the exterior of the office/warehouse location. Franchisee shall not operate a fixed retail location for the sale of DECORATING DEN INTERIORS Products and Services, whether inside or outside of the ten (10) miles distance from the Designated Location.

5.7 Goodwill.

Franchisee shall protect the goodwill of the Marks and the DECORATING DEN INTERIORS System, and shall maintain uniform standards of operation, shall pay all financial obligations, whether with DDSI, Regional Director, suppliers, or with others, when due and according to their terms, and shall comply with all standards, policies and operating manuals established by DDSI and Field Mentor relating to merchandise, vehicles, display materials, and appearance of all sales and installation personnel or other representatives who meet the public.

5.8 Customer Relations and Refund Policies.

Franchisee agrees to follow any and all customer relations policies and/or guarantee and refund policies established in the Policy and Procedure Manual or otherwise in writing from time to time by DDSI. All dealings and transactions with customers and suppliers must be fair and honest.

5.9 Publicity.

Franchisee agrees that DDSI and Field Mentor shall have the right to use Franchisee's name and photographic likeness of any type and pictures or other depictions of Franchisee's work, including without limitation film, digital images, video tape, or photograph, in publicity, advertising, marketing or public relations activity by DDSI or Field Mentor.

5.10 Training and Certification.

Within six (6) months of the date of this Agreement, Franchisee shall participate in and successfully complete all basic training. This, includes, Decorating Den Interiors University ("DDIU") and Field Mentor training in order to receive competency certification by DDSI. Franchisee shall additionally participate in further training as required by DDSI and Field Mentors from time to time in order to maintain the Franchise standards, and shall require any employees, partners or independent contractors who render services in the franchised business to complete any and all training required of them in accordance with DECORATING DEN INTERIORS System policies.

5.11 Sources of Products and Supplies.

DDSI has a preferred supplier program (the "Preferred Supplier Program"). DDSI encourages Franchisee's participation through the offer of product discounts and guarantees; contests and incentive awards; and assistance in the return of products. If Franchisee purchases products and services from suppliers that do not participate in the Preferred Supplier Program, DDSI will not offer Franchisee the aforementioned benefits that are available to franchisees participating in the Preferred Supplier Program. Products or services purchased from unapproved suppliers must comply with specifications and standards established from time to time by DDSI.

5.12 Minimum Performance Standards.

Franchisee shall create a minimum volume of Annual Gross Sales from the operation of Franchisee's business in the amount of Forty Thousand Dollars ($40,000.00) in order to retain the rights granted herein by DDSI. Failure to achieve the minimum Annual Gross Sales is a ground for termination of this Agreement. The term "Annual Gross Sales" shall be defined as the total of Franchisee's Gross Sales during any calendar year, commencing with the first calendar year after the date Franchisee completes DDIU. In DDSI's sole discretion, the required minimum Annual Gross Sales may be adjusted once each year, but the percentage change shall not exceed increases or decreases in the CPI during the previous calendar year. In no event shall the minimum required Annual Gross Sales be reduced below Forty Thousand Dollars ($40,000.00).

5.13 Insurance.

a. Before beginning operations under this Agreement, but no later than ten (10) days after the date hereof, Franchisee shall procure and shall maintain in full force and effect at all times during the term of this Agreement at Franchisee's expense, an automobile and commercial liability insurance policy or policies protecting Franchisee DDSI, Field Mentosr, and their subsidiaries, affiliates, successors, and assigns and their respective officers, directors, shareholders, LLC members, partners, employees, servants, representatives, and agents,against any demand or claim with respect to bodily injury, or property damage, or any loss, liability, or expense whatsoever arising out of or occurring upon or in connection with the condition, operation, use, or occupancy of the franchised business.

b. Such policy or policies shall be written by a responsible carrier or carriers acceptable to DDSI (e.g., with a Best's Insurance Guide rating of "A" or better) and shall include, at a minimum (except as additional coverage may reasonably be specified by DDSI from time to time), in accordance with standards and specifications set forth in the Policy and Procedure Manual or otherwise in writing, the following:

(i) Comprehensive general liability insurance, including premises, products, and completed operations personal injury, and contractual, liability coverage in amounts not less than $1,000,000 for each occurrence with a general annual aggregate of not less than $2,000,000, and a products and completed operations annual aggregate of not less than $2,000,000;

(ii) Employer's liability insurance, if Franchisee has employees, providing for coverage in amounts not less than $250,000 for each accident, for each employee, and in the aggregate, and Worker's Compensation insurance, if applicable, in amounts provided by applicable law;

(iii) Automobile (including commercial vehicle) liability coverage, including coverage of owned, non-owned, and hired vehicles, with coverage in amounts not less than $1,000,000 combined single limit for both bodily injury and property damage; and

(iv) Any additional insurance coverage which may be required by statute or rule of the state or locality in which the franchised business will be operated.

(v) All liability insurance policies shall (1) name as additional insureds, (2) expressly provide that any interest of same therein shall not be affected by any breach by Franchisee of any policy provisions, and (3) include a waiver of subrogation in favor of, each of DDSI, Regional Director, and their respective subsidiaries, affiliates, successors and assigns, partners, officers, directors, shareholders, LLC members, representatives, agents, and employees.

c. Franchisee may elect to have typical, commercially reasonable deductibles in connection with the coverage required under Section 5.13.b.

d. All automobile and commercial liability policies and certificates of coverage shall contain a provision that Franchisee's insurance coverage shall be primary to any coverage maintained by DDSI or Field Mentor, and DDSI and Field Mentor shall be entitled to recover under Franchisee's policies for any loss occasioned to DDSI or Field Mentor, their subsidiaries, affiliates, successors, and assigns, and their respective officers, directors, shareholders, LLC members, partners, employees, servants, representatives, and agents, for whatever reason.

e. At the time of the execution of this Agreement and, thereafter, not less than thirty (30) days prior to the expiration of any insurance policy, Franchisee shall deliver to DDSI and Field Mentor certificates of insurance and, if requested by DDSI, copies of the applicable insurance policies, evidencing the coverages with limits not less than those required hereunder. All insurance policies and certificates shall expressly provide that not less than thirty (30) days' prior written notice shall be given to DDSI and Field Mentor in the event of a material alteration to or cancellation of the policies.

f. Should Franchisee for any reason fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by DDSI in the Policy and Procedure Manual or otherwise in writing, DDSI shall have the right and authority (without, however, any obligation to do so) to immediately procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for DDSI's expenses incurred in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies at law or in equity that DDSI may have. An election by DDSI not to obtain any insurance under this Section will not be interpreted as negligence or a breach of DDSI's obligations under this Agreement.

5.14 Central Telephone.

a. If the Designated Location is located in a region where DDSI's or the Field Mentor's policy is to require the participation of all or designated groups of DECORATING DEN INTERIORS franchisees in a central telephone service, or in which DDSI or the Field Mentor adopts such a policy at any time after the execution of this Agreement, Franchisee shall participate in and share the proportionate costs thereof, including, but not limited to, telephone charges, answering services, advertising and listings, general advertising, and the costs associated with the collection and distribution of all telephone messages. The central telephone number must be used by Franchisee for all advertising, including, but not limited to, business cards, stationery, invoices, flyers, Internet and on the business vehicle. The decision of whether, and when, to install a central telephone service in Franchisee's region shall be made by DDSI and Field Mentor. Where a central telephone service is required, Franchisee may use a business telephone number in the operation of the DECORATING DEN INTERIORS Franchise as long as the number is not publicly listed so that it would be available to prospective customers outside of the said region. Such unlisted numbers may be used on Franchisee's business cards and other stationery. A telephone number may be published in a directory or other listing service only with the prior written consent of either DDSI or the Field Mentor.

b. If the Designated Location is located in a region that does not have a local central telephone policy, Franchisee may secure white page, and information listings only in the name of "DECORATING DEN INTERIORS" and the national toll-free 800# shall be displayed. No other proper names or city names may be used in conjunction with any Marks and no additional listings may be used with the telephone number assigned, unless approved in writing in advance by DDSI. All telephone listings, display advertising, layout, and copy shall be approved in advance in writing by DDSI. Placement of display advertising by the approved Preferred Supplier for Franchisee will constitute automatic approval.

c. Upon assignment, expiration, termination or non-renewal of this Agreement, or upon termination of Franchisee's association with DDSI, Franchisee agrees that Franchisee's right to use the Marks shall immediately cease and that all telephone listings appearing under the name "**DECORATING DEN INTERIORS**" or any other Marks shall immediately become the property of DDSI, and Franchisee does hereby release all rights and use of all telephone numbers under which the **DECORATING DEN INTERIORS** name is listed. Franchisee hereby authorizes the telephone company, upon notification by DDSI that the relationship has been terminated, to disconnect Franchisee's "**DECORATING DEN INTERIORS**" telephone number and to transfer calls coming to the disconnected number to any other telephone number issued by the telephone company to DDSI or Field Mentor. Franchisee hereby assigns to DDSI and Field Mentor all rights, title, and interest in any telephone numbers and business listings used by Franchisee in connection with its conduct of the franchised business, upon assignment, expiration, termination or non-renewal of this Agreement. Franchisee hereby appoints DDSI and Field Mentor as its attorneys-in-fact with full power and authority to execute on Franchisee's behalf such documents, if any, as

are necessary to effectuate such an assignment of the telephone numbers and listings from Franchisee to DDSI and Field Mentor.

d. Franchisee hereby releases and forever discharges DDSI and Field Mentor and their successors or assigns from liability of any kind or character which results or may result directly or indirectly from DDSI's or Field Mentor's exercise of its rights hereunder or from the telephone company's cooperation with DDSI or Field Mentor in effecting the terms of this Section 5.14.

5.15 Licenses.

Franchisee shall obtain, at Franchisee's expense, any licenses that are required under Franchisee's state or local laws in order to operate the franchised business.

5.16 Computer Systems; *B.O.S.S.*^{sm}.

At all times that this Agreement is in existence, Franchisee shall (i) have and maintain a computer hardware and software meeting certain minimum specifications (as prescribed from time to time by the Policy and Procedure Manual) to use in connection with the operation of the franchised business, (ii) have access to the Internet provided by an Internet Service Provider (ISP), (iii) subscribe to and regularly access and use *B.O.S.S.*^{sm} (the DDSI proprietary, cloud-based technology system), or such other technology system as DDSI may require from time to time, and (iv) pay all costs and fees associated therewith. Any software invented by DDSI will be proprietary to DDSI, and a third party may have contractual rights to provide maintenance, repairs and/or upgrades when necessary. All reports required in the Policy and Procedure Manual may be submitted by Franchisee to DDSI and the Regional Director by electronic means. Neither DDSI nor Field Mentors will have independent access to Franchisee's computer system. Franchisee understands and agrees that *B.O.S.S.*^{sm}, or such other system as DDSI may require from time to time, is the principal means of communication within the DECORATING DEN INTERIORS System. As used herein, the term "B.O.S.S." shall mean a private method of communication for use only by DDSI staff, Field Mentors, Preferred Suppliers and Franchisees; B.O.S.S. is an extranet (which will actually transmit information over the Internet, but the system requires a password to access data on the servers used by DDSI).

DDSI has established and maintains B.O.S.S. through which DDSI Corporate staff, Field Mentors, Preferred Suppliers and Franchisees may communicate with each other, and through which DDSI may disseminate the Policy and Procedure Manual, updates thereto and other confidential information. DDSI shall have sole discretion and control over all aspects of B.O.S.S., including the content and functionality thereof. DDSI will have no obligation to maintain B.O.S.S. indefinitely, and may dismantle it at any time without liability to Franchisee.

Franchisee shall have the privilege to use B.O.S.S., subject to Franchisee's strict compliance with the standards and specifications, protocols and restrictions (collectively, "Terms of Use") that DDSI may establish from time to time. Such Terms of Use may relate to, among other things, (i) the use of abusive, slanderous or otherwise offensive language in electronic communications; (ii) communications between or among Franchisees that endorse

or encourage breach of any Franchisee's franchise agreement; (iii) confidential treatment of materials that DDSI transmits via B.O.S.S.; (iv) password protocols and other security precautions; (v) grounds and procedures for DDSI's suspending or revoking a Franchisee's access to B.O.S.S.; and (vi) a privacy policy governing DDSI's access to and use of electronic communications that Franchisees post to B.O.S.S.. Franchisee acknowledges that, as administrator of B.O.S.S., DDSI can technically access and view any communication that any person posts on B.O.S.S. Franchisee further acknowledges that B.O.S.S. and all communications that are posted to it will become DDSI's property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

If Franchisee breaches this Agreement or any other agreement with DDSI or its Affiliates, DDSI may disable or terminate Franchisee's access to B.O.S.S. without DDSI having any liability to Franchisee, and in which case DDSI shall only be required to provide Franchisee a paper copy of the Policy and Procedure Manual and any updates thereto, if none have been previously provided to Franchisee, unless Franchisee is not otherwise entitled to the Policy and Procedure Manual.

5.17 DDSI Website.

DDSI has established and will maintain from time to time the DDSI website. DDSI has sole discretion and control over the design and content of DDSI's website. DDSI may, at its sole option, from time to time, without prior notice to Franchisee: (i) change, revise, or eliminate the design, content and functionality of DDSI's website; (ii) make operational changes to DDSI's website; (iii) change or modify the URL and/or domain name of DDSI's website; (iv) substitute, modify, or rearrange DDSI's website, at DDSI's sole option, including in any manner that DDSI considers necessary or desirable to, among other things, comply with applicable laws, respond to changes in market conditions or technology, and respond to any other circumstances; (v) limit or restrict end-user access (in whole or in part) to DDSI's website; and (vi) disable or terminate DDSI's website without any liability to Franchisee.

DDSI may link DDSI's website to the websites of third parties, including electronic service providers, Affiliates and other providers of goods and services. DDSI may also permit third parties to link and frame DDSI's Website. DDSI may place legal notices, disclaimers, DDSI's corporate logos and slogans, advertisements, endorsements, trademarks, and other identifying information on DDSI's website, all of which may be modified, expanded, or eliminated at DDSI's option. Further, DDSI may establish or participate in programs whereby DDSI refers end-users to other websites, or DDSI receives referrals from other websites. All consideration (monetary and non-monetary) received by DDSI on account of the placement or sale of advertisements, endorsements, and sponsorships on DDSI's website, and all consideration (monetary and non-monetary) received by DDSI on account of affiliate programs, will belong only to DDSI.

DDSI's website may include one or more interior pages that identify Franchisees operating under the Marks, including the franchised business, by among other things,

geographic region, address, telephone numbers, and other appropriate matters. DDSI's website may also include one or more interior pages dedicated to franchise sales by DDSI.

DDSI has no control over the stability or maintenance of the Internet generally; as a result, DDSI is not responsible for damage or loss caused by errors of the Internet. Furthermore, DDSI is not liable for any direct, indirect, special, incidental, exemplary or consequential damages arising out of the use of, or the inability to use, DDSI's website or the Internet, including loss of profits, goodwill, or savings; downtime; or damage to or replacement of programs and data, whether based in contract, tort, product liability, or otherwise.

Franchisee specifically acknowledges and agrees not to establish a website or a Blog, nor offer, promote, or sell any Decorating Den Interiors Products and Services, or make any use of the Marks, through the Internet other than in a manner pre-approved in writing or provided by DDSI. As a condition to granting any such approval, DDSI may establish such requirements or conditions as it deems appropriate, including but not limited to the requirement that Franchisee's sole presence on the Internet be through a web page established by DDSI on DDSI's website. For purposes hereof, the term "Blog" means an online website journal accessible by the public and used by Franchisee to market or promote the franchised business.

6. COVENANTS

6.1 Confidential Information.

a. Franchisee and each of Franchisee's principals shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person, partnership, association, LLC or corporation any confidential information, including without limitation any customer lists and sales leads, supplier lists and associated price lists. or any knowledge, or know-how concerning the methods of operation of the franchised business that may be communicated to Franchisee or any of Franchisee's principals or of which they may be apprised by virtue of Franchisee's operation of the franchised business under the terms of this Agreement. Franchisee and each of Franchisee's principals shall divulge such confidential information only to Franchisee's decorators and other personnel as must have access to it in order to assist in the franchised business. Any and all information, knowledge, know-how, techniques, and any materials related thereto that DDSI designates as confidential shall be deemed confidential for purposes of this Agreement. Neither Franchisee nor Franchisee's principals shall at any time, without DDSI's prior written consent, copy, duplicate, record or otherwise reproduce such information, knowledge, know-how, techniques or related materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenant set forth in this Section 6.1 shall survive the assignment, termination, expiration or non-renewal of this Agreement and shall be perpetually binding upon Franchisee and each of Franchisee's principals.

b. At DDSI's request, Franchisee shall require its decorators, assistants and any other personnel and any persons having access to any confidential information of DDSI to execute covenants that they will maintain the confidentiality of the information they receive in connection

with their relationship with Franchisee. Such covenants shall be in the form required by DDSI in the Policy and Procedure Manual, or otherwise in writing.

c. Franchisee and Franchisee's principals acknowledge that any failure to comply with the requirements set forth in this Section 6.1 shall constitute a material event of default under Section 9 and will cause DDSI irreparable injury. Therefore, Franchisee and Franchisee's principals agree to pay all court costs and reasonable attorneys' fees incurred by DDSI in obtaining specific performance, injunctive relief, or any other equitable or other remedy available to DDSI for any violation of the requirements of this Section 6.1. This Section 6.1 shall not apply where prohibited by Franchisee's state law.

6.2 Covenant Not to Compete.

a. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by DDSI, Franchisee or its designated manager shall devote full time, energy, and best efforts to the management and operation of the business franchised hereunder.

b. Franchisee and Franchisee's principals specifically acknowledge that, pursuant to this Agreement, Franchisee and Franchisee's principals will receive valuable specialized training, trade secrets, and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods, and techniques of the DECORATING DEN INTERIORS System which are beyond the present skills and experience possessed by Franchisee, Franchisee's principals, and Franchisee's managers and employees. Franchisee and Franchisee's principals acknowledge that such training, trade secrets, and confidential information provide a competitive advantage and will be valuable to them in the development of the franchised business and that gaining access to such training, trade secrets and confidential information is, therefore, a primary reason for entering into this Agreement. In consideration for such training, trade secrets and confidential information, Franchisee and Franchisee's principals covenant as follows:

(i) During the term of this Agreement, except as otherwise approved in writing by DDSI, neither Franchisee nor any of Franchisee's principals shall, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

(A) Divert or attempt to divert any business or customer of the business franchised hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with DDSI's Marks and the DECORATING DEN INTERIORS System; or

(B) Own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the franchised business, including any home furnishing, commercial furnishing, or interior decorating business.

(ii) For a continuous uninterrupted period commencing upon the assignment, expiration, termination, or non-renewal of this Agreement and for two (2) years

thereafter, or with respect to each of Franchisee's principals, for a continuous uninterrupted period commencing upon the earlier of: (i) the assignment, expiration, termination or non-renewal of this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Franchisee's principal" as described in Section 13.1.f., and:

(A) For two (2) years thereafter, except as otherwise approved in writing by DDSI, neither Franchisee nor any of Franchisee's principals shall, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, divert or attempt to divert any business or customer of the business franchised hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the DECORATING DEN INTERIORS System; or

(B) For two (2) years thereafter, except as otherwise approved in writing by DDSI, neither Franchisee nor any of Franchisee's principals shall, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, partnership, LLC, or corporation, (i) own, maintain, operate, engage in, or have any interest in any business which is the same or similar to the franchised business, including any home furnishing, commercial furnishing, or interior decorating business, which business is, or is intended to be, located or operated within fifty (50) miles of the Designated Location, or (ii) contact for business purposes or solicit home furnishing, commercial furnishing, or interior decorating business from any person or firm that was a customer of Franchisee prior to the date of termination if such person or firm is located or is operating a business within fifty (50) miles of the Designated Location.

c. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 6 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which DDSI or Regional Director is a party, Franchisee and Franchisee's principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Section 6.

d. Franchisee and Franchisee's principals understand and acknowledge that DDSI shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 6.2.b. of this Agreement, or any portion thereof, without their consent, effective immediately upon notice to Franchisee; and Franchisee and Franchisee's principals agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 13.7 hereof. Any reduction of scope or waiver of any covenant by DDSI in favor of another franchisee shall not affect the enforceability of such covenant with respect to Franchisee.

e. Franchisee and Franchisee's principals expressly agree that the existence of any claims they may have against DDSI or Regional Director, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by DDSI of the covenants in this Section 6. Franchisee and Franchisee's principals agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by DDSI and/or Regional Director in connection with the enforcement of this Section 6.

f. Franchisee and Franchisee's principals acknowledge that a violation of the terms of this Section 6 would result in irreparable injury to DDSI and Regional Director for which no adequate remedy at law may be available, and Franchisee and Franchisee's principals accordingly consent to the issuance of an injunction prohibiting any conduct by Franchisee or any of Franchisee's principals in violation of the terms of this Section 6. Notwithstanding the foregoing, the provisions of this Section 6.2.f. shall not apply where prohibited by Franchisee's state law.

g. At DDSI's request, Franchisee shall require and obtain execution of covenants similar to those set forth in this Section 6 (including covenants applicable upon the termination of a person's employment with Franchisee) from its decorators, employees, assistants and manager, and any other person who has received or will receive training from DDSI. Such covenants shall be in the form required by DDSI in the Policy and Procedure Manual, or otherwise in writing. Failure by Franchisee to obtain execution of the covenants required by this Section 6.2.g. shall constitute a material event of default under Section 9 of this Agreement.

7. PAYMENTS, REPORTS, ACCOUNTING AND RECORDS

7.1 Reports.

a. Throughout the term of this Agreement, not later than the time specified in the Policy and Procedure Manual (currently 8:00 PM Eastern time) on the 15th and last day of each calendar month, Franchisee shall submit through B.O.S.S., or such other system as DDSI may require from time to time, sales report(s) for all Gross Sales made by Franchisee during the preceding period (1st through the 15th day and 16th through the last day, as applicable) containing such information and in such format as DDSI shall specify, including without limitation the complete name, address and telephone number of each customer, broken down by major product categories. If Franchisee has no sales during the applicable period, Franchisee shall submit a No Sales report as provided for in B.O.S.S., if required.

b. Throughout the term of this Agreement, on the fifteenth day of each month, DDSI will invoice Franchisee electronically for Service Fees and NBF Fees due from Franchisee's sales, if any, made on the first through the fifteenth day of the month, and on the last day of the month DDSI will similarly invoice for sales, if any, made on the sixteenth through the last day of the month. Amounts thus invoiced are due within five (5) days. Unless other arrangements for payment are provided, DDSI will initiate a direct debit of Franchisee's bank account for such amounts on the due date, utilizing the Automated Clearing House (ACH) or other automatic bank payment function. All bank charges for such electronic direct debit shall be borne by Franchisee. Franchisee shall concurrently with the execution of this Agreement, and from time to time thereafter upon request by DDSI, execute an appropriate authorization

agreement for automatic payment to permit a bank designated by DDSI to initiate debit entries to, and to debit, the bank account designated by Franchisee. The current form of the Authorization Agreement for Automatic Payment is attached to this Agreement as Exhibit 4.

c. Failure to submit sales report(s) as required under Section 7.1.a., or to make any payment of Service Fees or NBF Fees as required in Section 7.1.b., or to make payment of any other amount required to be made by Franchisee to DDSI or Regional Director shall be an event of default under the terms of this Agreement, and may subject this Agreement to termination for cause as hereinafter set forth. The term "business day" as used in this Agreement is defined as any day other than Saturday, Sunday or a national holiday.

d. Except as prohibited by applicable local, state or federal laws, any amounts paid to DDSI and/or Regional Director by or on behalf of Franchisee representing Service Fees, NBF Fees or other moneys may be applied by DDSI and/or Regional Director to any outstanding balance due for Franchisee's Service Fees, advertising or other payment obligation.

e. If any payment due under any provisions of this Agreement is not paid by Franchisee when such payment is due, such amounts shall be considered overdue amounts for purposes of this paragraph, and Franchisee shall pay to DDSI or Regional Director, in addition to the overdue amount, (1) the greater of (i) $50 or (ii) interest on such amount from the date it was due until paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less, and (2) DDSI's or Regional Director's reasonable attorney's fees and court costs incurred in the collection of any payment or fee. In addition, Franchisee will pay a late fee of $50.00 for each report not timely submitted when due under any provision of this Agreement, and Franchisee will pay a fee of $25.00 for each payment it submits to us that is not honored and/or returned for insufficient funds. Any failure to comply with the requirements of this Section 7.1.e. shall be a material event of default under Section 9. Entitlement to such interest or fees shall be in addition to any other remedies DDSI or Regional Director may have at law or in equity, arising under this Agreement or otherwise.

f. Franchisee shall prepare and file with DDSI and/or Regional Director such other reports and compilations of information as set forth below or as DDSI or Regional Director shall require or as may be specified in the Policy and Procedure Manual or other written directions.

g. DDSI shall have the right from time to time to amend the payment processes and procedures by an appropriate amendment to the Policy and Procedure Manual.

7.2 Records and Books of Account.

a. Franchisee shall keep and preserve complete records of all advertising copy and expenses, customer leads, customer appointments, retail sales, supplier orders, installed and completed customer orders, cash receipts and disbursements, and other such records and books of account as necessary for the orderly operation of the business, and to do so in the manner specified by DDSI and Regional Director. Franchisee shall retain all such records and books of account for three (3) years from the assignment, termination, or expiration of this Agreement.

b. Upon request, Franchisee shall submit to DDSI or Regional Director as directed such standard reports as may be specified in the Policy and Procedure Manual, including, but not limited to:

(i) Individual customer sales contracts,

(ii) State sales tax returns and reports, and

(iii) Register of appointments.

c. Franchisee shall adopt and use any computerized financial reporting system which DDSI in its discretion may uniformly require of all franchisees.

7.3 Right to Audit Franchisee's Records.

a. Franchisee shall allow DDSI's and Regional Director's representatives from time to time, at reasonable hours, to inspect Franchisee's systems and controls, advertising materials and supplies, methods of production and sales, books of account, tax returns, and other business records to ensure compliance with the terms and conditions of this Agreement.

b. Any inspection, examination or audit by DDSI or Regional Director of Franchisee's accounts, books, records or tax returns shall be at DDSI's or Regional Director's expense unless the same is necessitated by Franchisee's failure to prepare or forward required reports, or if an inspection discloses an understatement in any report or an underpayment of two percent (2%) or more. In either such event, Franchisee shall, in addition to repaying any unreported or understated amount, reimburse DDSI or Regional Director for any and all costs and expenses connected with the inspection, including, without limitation, travel, lodging, and wage expenses and reasonable accounting and legal costs. Interest at the rate of eighteen percent (18%) per annum shall accrue on any such understatement in any report or any underpayment. The foregoing remedies shall be in addition to any other remedies DDSI or Regional Director may have.

8. TRANSFERABILITY OF INTEREST

8.1 DDSI's and Regional Director's Right to Transfer.

This Agreement and all rights hereunder may be assigned and transferred by either DDSI, Regional Director, or both, and, if so, shall be binding upon and inure to the benefit of DDSI's or Regional Director's respective assignees. If a Field Mentor has not been appointed at the time this Agreement is executed, DDSI expressly reserves the right to assign certain of its rights, duties, and obligations under this Agreement to a qualified third party appointed by DDSI and meeting DDSI's standards for Field Mentors to serve as Field Mentor for a region which includes the Designated Location. In the event of assignment, expiration, termination or non-renewal of the position of Regional Director, or any Regional Director which may be appointed in the future, this Agreement shall remain in full force and effect with DDSI fully assuming all of the rights, duties and obligations imposed hereunder on Regional Director.

8.2 Franchisee's Right to Transfer.

a. Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and that DDSI and Regional Director have entered into this

Agreement with Franchisee in reliance upon the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Accordingly, neither this Agreement nor any part of the DECORATING DEN INTERIORS franchised business nor any interest therein granted pursuant to this Agreement, nor any interest in Franchisee, may be transferred without the prior written approval of DDSI and Regional Director, and any transfer without such approval shall constitute a material breach hereof and convey no rights to or interests in this Agreement, or in the DECORATING DEN INTERIORS franchised business, or in Franchisee. Franchisee shall not have the right to sell and transfer less than the full franchise territory to one purchaser.

b. As used in this Agreement, the term "transfer" shall mean and include the voluntary or involuntary, direct or indirect, assignment, sale, or other transfer by Franchisee of:

(i) Any interest in this Agreement;

(ii) The transfer of ownership of capital stock, LLC membership, or partnership interest in the franchised business;

(iii)The merger or consolidation, or issuance of additional securities representing an ownership interest in the Franchise;

(iv) The sale of common stock of Franchisee pursuant to a private placement or registered public offering;

(v) The transfer of an interest in Franchisee or the DECORATING DEN INTERIORS Franchise granted pursuant hereto in a divorce proceeding or otherwise by operation of law;

(vi) The transfer of an interest in Franchisee or the DECORATING DEN INTERIORS Franchise granted pursuant hereto in the event of the permanent disability of Franchisee or an individual owner of Franchisee, or on the death of Franchisee or an individual owner of Franchisee, by will, declaration of transfer in trust, or under the laws of intestate succession;

(vii) The transfer of the DECORATING DEN INTERIORS franchised business or any interest therein, or the transfer of any significant assets of the business including, but not limited to, customer lists, telephone listings, telephone numbers, inventory, samples, books of accounts and records; or

(viii) The encumbrance of any direct or indirect interest in this Agreement, in the franchised business or in Franchisee shall be deemed a transfer under the terms of this Agreement giving DDSI or Regional Director the right, but not the obligation, to take the place of Franchisee in relation to any secured party.

8.3 Approval Procedure.

a. If Franchisee is in full compliance with this Agreement, DDSI and Regional Director shall not unreasonably withhold approval of a proposed transfer that meets any or all of the applicable requirements of this Section 8.3. The proposed transferee must meet DDSI's and

Regional Director's then applicable standards for franchisees, and the costs of providing up-to-date samples to the transferee, where necessary, shall be paid by Franchisee.

b. If the transfer is of a controlling interest (i.e., greater than fifty percent (50%)) in Franchisee, or is one of a series of transfers which, in the aggregate, constitute the transfer of a controlling interest in Franchisee, all of the following conditions must be met:

(i) The transferee (a) must provide DDSI and Regional Director with financial, biographical and business experience information, and personal references, and (b) must have, in the opinion of DDSI and Regional Director, sufficient business experience, aptitude, and financial resources, and must have passed DDSI's aptitude test;

(ii) Franchisee shall pay all Service Fees, NBF contributions, accounts payable, and other amounts owed to DDSI and Regional Director, and must not be in default of this Agreement or any other agreement between Franchisee and DDSI and/or Regional Director as of the proposed transfer date;

(iii) The transferee must agree in writing to attend and successfully complete DDSI's basic training program (DDIU);

(iv) The transferee shall have acquired a business vehicle that meets the then-current DDSI standards, as set forth in Section 5.6 of this Agreement;

(v) The transferee shall execute the then-current DECORATING DEN INTERIORS Franchise Agreement (the terms of which may differ from the terms of this Agreement and may include, without limitation, a higher Service Fee, NBF Fee, and other fees) and agree to be bound by all of its terms and conditions;

(vi) Except as set forth in Section 8.4, Franchisee or the transferee shall pay DDSI or Regional Director a transfer fee of Ten Thousand Dollars ($10,000) to defray expenses incurred by DDSI and Regional Director in connection with the training provided to the transferee, and the transfer and administrative costs of the transfer; and, in addition, Franchisee shall pay DDSI or Regional Director a Resale Assistance Fee of $10,000 to defray expenses incurred by DDSI and Regional Director in connection with promotion, advertising, and sales representation by a DDSI franchise sales person in connection with the transfer; provided that DDSI shall waive the Resale Assistance Fee where Franchisee undertakes its own advertising and sales representation, and develops its own prospective transferees in relation to the transfer;

(vii) Franchisee shall execute a general release, in a form satisfactory to DDSI and Regional Director, of any and all claims, known or unknown, against DDSI and Regional Director and their respective officers, directors, employees, agents, successors and assigns;

(viii) DDSI and Regional Director must approve the material terms and conditions of such transfer, including, without limitation, that the price and terms of payment are not so burdensome as to adversely affect the continuation of the DECORATING DEN INTERIORS franchised business;

(ix) Franchisee shall acknowledge and observe the confidentiality provisions in section 6.1 of this Agreement and shall execute a non-competition covenant for the benefit of DDSI, Regional Director, and the transferee, agreeing that for a period of two (2) years, commencing on the effective date of the transfer, neither Franchisee nor any member of Franchisee's immediate family nor any partner(s), LLC member(s) or shareholder(s) of Franchisee shall have any direct or indirect interest as a disclosed or beneficial partner, LLC member, shareholder or franchisee in any home furnishing, commercial furnishing, or interior decorating business within fifty (50) miles of the Designated Location;

(x) Franchisee shall enter into an agreement with DDSI and Regional Director providing that all obligations of the transferee to make installment payments of the purchase price of the franchised business or interest thereon to Franchisee shall be subordinate to the obligations of the transferee to pay Service Fees, NBF Fees, obligations for purchases and any other payments to DDSI or Regional Director; and

(xi) Franchisee shall give to DDSI or Regional Director all of Franchisee's sales contracts, customer lists, registers of appointments, and any other of Franchisee's business records which are required to be given to DDSI or Regional Director under the terms of Section 7.1.

8.4 Transfer to a Spouse or Child.

In the event of a transfer of a controlling interest in Franchisee, governed by the terms of Section 8.3.b., where the transferee is the spouse or child of Franchisee, the transfer fee set forth in Section 8.3.b.(vi) shall not be assessed.

8.5 Transfer Upon Death or Disability.

a. Upon the death of any person with an interest in this Agreement, the franchised business, or in Franchisee (the "Deceased"), the executor, administrator, or other personal representative of the Deceased shall transfer such interest to a third party approved by DDSI within twelve (12) months after the death. DDSI shall apply to such third party transfer the approval procedure conditions set forth in Section 8.3 of this Agreement. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by DDSI. If the distributee is not approved by DDSI, then the distributee shall transfer such interest to a third party approved by DDSI within twelve (12) months after the death of the Deceased.

b. Upon the permanent disability of any person with an interest in this Agreement, the franchised business, or in Franchisee, DDSI may, in its sole discretion, require such interest to be transferred to a third party approved by DDSI within six (6) months after notice to Franchisee. DDSI shall apply to such third party transfer the approval procedure conditions set forth in Section 8.3 of this Agreement. "Permanent disability" shall mean any physical, emotional, or mental injury, illness, or incapacity which would prevent a person from performing the obligations set forth in this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely.

c. Upon the death or claim of permanent disability of any person with an interest in this Agreement, the franchised business, or in Franchisee, Franchisee or a representative of Franchisee must promptly notify DDSI of such death or claim of permanent disability. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as described in this Section 8. If an interest in the Franchise is not transferred upon death or permanent disability as required in this Section 8.5 and in accordance with the terms and conditions of this Section 8, DDSI may terminate this Agreement pursuant to Section 9. DDSI and Regional Director shall have the right, but not the obligation, to appoint a temporary manager of the franchised business pending transfer to an approved transferee.

8.6 Change of Designated Location.

Franchisee may change the Designated Location to any available location, without additional fee, only with the prior approval of DDSI and any applicable Regional Directors. Franchisee must be in full compliance with this Agreement as a condition of relocation.

8.7 Transfer for Convenience of Ownership.

In the event the proposed transfer is to a corporation or LLC formed solely for the convenience of ownership, DDSI's and Regional Director's consent may be conditioned upon any of the requirements set forth in Section 8.3, except that the requirements set forth in Section 8.3.b. shall not apply. Franchisee shall be the owner of all of the voting stock or interest of the corporation, and if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the corporation or LLC as he/she had in Franchisee prior to the transfer. Franchisee shall guaranty to DDSI and Regional Director the performance of the corporation or LLC.

9. TERMINATION

9.1 DDSI's and Regional Director's Right to Terminate.

a. Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee hereunder shall terminate automatically without notice to Franchisee, upon the occurrence of any of the following events:

(i) Franchisee becomes insolvent, makes a general assignment for the benefit of creditors, or is adjudicated a bankrupt, unless otherwise restricted by the United States Bankruptcy Laws; or

(ii) A petition in bankruptcy for liquidation, reorganization, or other proceeding is filed by or against Franchisee; a receiver is appointed; a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is allowed; or the real or personal property of the franchised business is attached or levied upon by any sheriff, marshal, or constable.

b. Franchisee shall be deemed to be in default under this Agreement and DDSI and Regional Director may, at their option, terminate this Agreement without affording Franchisee any

opportunity to cure the default, effective at the earlier of receipt of notice by Franchisee or five (5) days after transmission upon the occurrence of any of the following events:

(i) Franchisee abandons or ceases actively to operate the franchised business, which is defined to include three (3) consecutive months without Gross Sales, unless prior approval is obtained in writing from DDSI and Regional Director;

(ii) Franchisee or any of its principals, partners, officers or directors is convicted or pleads no contest to a felony or other crime or offense that DDSI believes is reasonably likely to have an adverse effect on the Marks, the goodwill associated therewith, or DDSI's interest therein;

(iii) Franchisee makes a material misrepresentation or omission relating to the acquisition of the Franchise, or Franchisee knowingly maintains false books or records, or submits any false report to DDSI or Regional Director;

(iv) Franchisee has been sent during any consecutive twelve (12) month period, 3 or more notices of default (whether such notices relate to the same or different defaults and whether or not such defaults have been cured);

(v) Franchisee fails, refuses, or neglects to pay amounts due DDSI or Regional Director for Service Fees, NBF contributions, purchases made, or services provided under the terms of this Agreement or any other agreement between Franchisee and DDSI and/or Regional Director;

(vi) Franchisee purports to transfer any rights or obligations under this Agreement to a third party without prior written consent of DDSI and Regional Director, contrary to the terms of this Agreement;

(vii) Franchisee, its principals, officers, directors, shareholders, LLC members or partners, engage in any activity prejudicial to the DECORATING DEN INTERIORS System or the goodwill represented by the Marks;

(viii) Franchisee fails to achieve the Minimum Gross Sales during any full calendar year of operation as set forth in Section 5.12; or

(ix) If Franchisee has selected the Finance Option, Franchisee fails to make any payment due under the Promissory Note within ten (10) days of the due date thereof.

c. Except as otherwise provided in this Section 9, Franchisee shall have thirty (30) days, or such longer period as applicable law may require, after notice of default given by DDSI or Regional Director within which to cure a default hereunder (or, if the default cannot reasonably be cured within thirty (30) days, to initiate within that time substantial and continuing action to cure the default), and to provide evidence thereof to DDSI or Regional Director. If any such default is not cured within that time (or, if appropriate, substantial and continuing action to cure the default is not initiated within that time), or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of the thirty (30) day period or such longer period as applicable law may require. Franchisee shall be in default hereunder for any failure to comply substantially with any of the

requirements imposed by this Agreement, as it may reasonably be supplemented by the Policy and Procedure Manual, or failure to carry out the terms of this Agreement in good faith. Such defaults shall include, without limitation, the occurrence of any of the following events:

(i) Franchisee fails to submit on a timely basis or accurately report Gross Sales or to submit on a timely basis any other report required under this Agreement or the Policy and Procedure Manual;

(ii) Except as provided in Section 9.1.b., Franchisee fails to comply with any of the requirements imposed by this Agreement, the Policy and Procedure Manual, or fails to carry out the terms of this Agreement in good faith;

(iii) Except as provided in Section 9.1.b., Franchisee fails to maintain or observe any of the standards or procedures prescribed by DDSI in this Agreement, the Policy and Procedure Manual, or otherwise in writing; or

(iv) Except as provided in Section 9.1.b.(v) hereof, Franchisee fails, refuses, or neglects to obtain DDSI's and Regional Director's prior written approval or consent as required by this Agreement.

9.2 Voluntary Termination by Franchisee.

Franchisee may voluntarily terminate this Agreement at any time, upon thirty (30) days prior notice to DDSI and Regional Director. Before the termination becomes effective, all reports required to have been filed and all sums of money due and owing to DDSI and/or Regional Director under the terms of this Agreement or any other agreement between Franchisee and DDSI and/or Regional Director must be filed, and Franchisee shall execute a general release, in a form satisfactory to DDSI and Regional Director, of any and all claims, known or unknown, against DDSI and Regional Director and their officers, directors, employees, agents, successors and assigns.

9.3 Effect of Termination.

Assignment, expiration, termination or non-renewal of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies which DDSI and/or Regional Director may have against Franchisee, whether such claims or rights arise before or after assignment, expiration, termination or non-renewal.

9.4 Non-Operating Status.

Upon approval by DDSI and the Regional Director, Franchisee may elect to place its franchise on a "non-operating" status if Franchisee is in good standing. The purpose of the non-operating status is to place the franchise completely out of business, not merely operating at a reduced level, and any business conducted by Franchisee while on non-operating status, without prior written approval by DDSI and Regional Director, would constitute a violation of this Agreement. The non-operating status allows Franchisee to take a leave of absence from operating the franchise business for three (3) years. Under this status, this Agreement remains intact. At any time during the non-operating status period, Franchisee may elect to become a decorator for

another Decorating Den franchise owner. While on non-operating status, Franchisee is not required to pay monthly minimum NBF Fees.

Franchisee may return to its business at any time within the three (3) year period by giving at least thirty (30) days prior written notice to DDSI. If Franchisee does return to its business, if a franchise in the Designated Location is still available, the Franchisee may return to its business if DDSI and the Regional Director agree. If a franchise in the Designated Location is not available, Franchisee will be assigned another Designated Location, subject to the approval of DDSI and any appropriate Regional Directors. If Franchisee does not return to the business by the end of the three (3) years, this Agreement will automatically be terminated without notification. DDSI reserves the right to withdraw this non-operating status at any time at its sole discretion. While Franchisee is on "non-operating" status, this Agreement and the franchise may not be transferred, sold or inherited.

10. RIGHTS AND DUTIES OF PARTIES UPON ASSIGNMENT, EXPIRATION, TERMINATION OR NON-RENEWAL

Upon assignment, expiration, termination, or non-renewal of this Agreement, and regardless of any dispute which may exist between the parties, Franchisee shall:

a. Immediately cease using and thereafter abstain from using all of the Marks, as well as all signs, structures, vehicles, and forms of advertising indicative of DDSI or the business or products thereof, and make or cause to be made such changes in signs, buildings, vehicles and structures as DDSI and Field Mentor shall reasonably direct so as effectively to distinguish them from their former appearance and from any other aspect of the franchised business. Further, Franchisee shall release and assign to DDSI or Field Mentor all telephone numbers used in directory listings, advertising in which any of the Marks are used, telephone listings, e-mail addresses, URL's, home and other web pages, and social networking pages. If Franchisee shall fail or omit to take such actions or cause them to be taken, then Field Mentor and DDSI shall have the right but not the obligation to enter upon the premises without being deemed liable for trespass or any other tort, and shall have the right to make such changes or cause them to be made at the expense of Franchisee, which expense Franchisee shall pay on demand. Franchisee agrees to reimburse Field Mentor and DDSI for all costs, expenses and legal fees incurred by Field Mentor and DDSI to require Franchisee to cease using such Marks, names, vehicles, telephone numbers, signs, stationery, advertising, or other means of identification indicative of DECORATING DEN INTERIORS. With respect to telephone listings, e-mail addresses, URL's, home pages and other web pages, and social networking pages used in connection with the franchised business, if Franchisee fails or refuses to comply with the foregoing, the telephone companies, URL and hosting companies are hereby authorized to accept this Agreement as evidence of DDSI's exclusive rights in and to such telephone number(s) Internet websites, URL's, e-mail addresses and social networking pages and to transfer the same to DDSI. Franchisee hereby appoints DDSI as its attorney-in-fact for the above transfers.

b. Within ten (10) days, ship all samples, advertising pieces and manuals bearing the names, "Decorating Den," "DECORATING DEN INTERIORS", or any other of the Marks, including the Policy and Procedure Manual (all of which are acknowledged to be DDSI's property),

postage prepaid, to an address designated by DDSI.

c. Immediately pay to DDSI or Regional Director such Initial Franchise Fee, Service Fees, NBF Fees, amounts owed for purchases by Franchisee, interest due on any of the foregoing, and all other amounts which are then unpaid, under the terms of this Agreement or any other agreement between Franchisee and DDSI and/or Regional Director, their subsidiaries and affiliates.

d. Within ten (10) days, deliver to DDSI or Field Mentor all of Franchisee's sales contracts, customer lists, registers of appointments, and any other of Franchisee's business records which are required to be given to DDSI or Field Mentor under the terms of Section 7.1.

e. Franchisee and Franchisee's principals shall comply with the restrictions on confidential information contained in Section 6.1 and the covenants contained in Section 6.2 of this Agreement. Any other person required to execute similar covenants pursuant to Sections 6.1 or 6.2 shall also comply with such covenants.

f. Within ten (10) days, Franchisee will take such action as necessary to cancel or amend any assumed name, fictitious name or business name or equivalent registration that contains any Mark owned by DDSI or in any way identifies Franchisee as being affiliated with the System. Franchisee hereby appoints DDSI as its attorney-in-fact for the above amendments or cancellations, and agrees to reimburse DDSI for any filing fees in connection with such filings.

g. In connection with assignments only, Franchisee shall execute a general release, in a form satisfactory to DDSI and Regional Director, of any and all claims, known or unknown, against DDSI and Field Mentor, and their officers, directors, employees, agents, successors and assigns.

h. The provisions of this Section 10 shall survive after expiration. termination or non-renewal of this Agreement.

11. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

a. It is understood and agreed by the parties that (i) this Agreement does not create a fiduciary relationship between them; (ii) Franchisee shall at all times be an independent contractor; and, (iii) nothing in this Agreement is intended to constitute any party an agent, legal representative, subsidiary, joint venturer, partner, employee, employer, joint employer, or servant of the other for any purpose whatsoever.

b. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from DDSI. Franchisee agrees to take such action as shall be necessary to that end, including, without limitation, exhibiting a notice of that fact in any advertising, stationery or other public notices, the content and form of which DDSI reserves the right to specify in the Policy and Procedure Manual or otherwise in writing.

c. Franchisee and Franchisee's principals understand and agree that nothing in this Agreement authorizes Franchisee or Franchisee's principals to make any contract, agreement,

warranty, or representation on DDSI's behalf, or to incur any debt or other obligation in DDSI's name; and that DDSI shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall DDSI be deemed liable by reason of any act or omission of Franchisee or Franchisee's principals in the conduct of the franchised business or for any claim or judgment arising therefrom.

d. Franchisee and each of Franchisee's principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law DDSI, Field Mentor, their respective subsidiaries, affiliates, successors and assigns, directors, officers, shareholders, LLC members, partners, employees, agents, and representatives from all losses and expenses (as defined in Section 11.e., below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any acts, errors, or omissions of Franchisee, any of Franchisee's subsidiaries and affiliates, and any partners, agents, servants, employees, and representatives of Franchisee and its subsidiaries and affiliates, in connection with the establishment and operation of the franchised business.

e. As used in this Agreement, the phrase "losses and expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorney's fees, court costs, settlement amounts, judgments, compensation for damages to DDSI's reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

12. MEDIATION AND ARBITRATION

12.1 Mediation. Prior to the initiation of arbitration in connection with any dispute, controversy or claim arising under the terms of this Agreement, including any claim that this Agreement or any part thereof is invalid, illegal or otherwise void or voidable, and excepting disputes involving the Marks, telephone numbers or non-competition, either party must submit any dispute arising under the terms of this Agreement or any dispute arising as to the way in which this Agreement was entered into, offered, accepted, or negotiated, to non-binding mediation before the American Arbitration Association or a similar organization. Such mediation shall be conducted in Easton, Maryland. If submitted to mediation by either party, a confidentiality agreement respecting the mediation proceedings will be executed by both parties, and the cost of such mediation shall be borne equally by both parties.

12.2 Arbitration. Any controversy or claim arising from or relating to this Agreement, the circumstances surrounding the execution of this Agreement, or the breach thereof, except as stated in Section 12.3 below, shall be submitted to binding arbitration in accordance with the Rules of the American Arbitration Association ("AAA") then in effect. The decision of the arbitrator shall, except for mistakes of law, be final and binding upon the parties hereto, and judgment upon the award rendered by the arbitrator, which will, in the case of damages, be limited to actual damages proven in the arbitration, may be entered in any court having jurisdiction. Each party to the

arbitration will be responsible for their own filing fees, attorney's fees, and their share of AAA administrative fees, provided that the arbitrator may allocate any such amounts in the award.

There will be a single arbitrator who shall be an existing or former judge of a court of record within the United States or an attorney in good standing admitted to practice for a period of at least ten (10) years within the United States. No arbitration will involve parties other than the parties hereto and their respective successors and assigns or be in any respect binding with respect to any such other parties. This, however, does not relate to witnesses or counsel used in the proceeding. The site of the arbitration will be in Talbot County, Maryland.

The arbitrator will have no power or authority to diminish DDSI's exclusive right and interest in the Marks and trade secrets or to vary the terms, conditions or payments which DDSI has designated for licensing one or more of the same. A party wishing to proceed through an action, suit, or proceeding with respect to the Marks may do so without limitation, protecting any of the Marks against infringements and recovering compensation or damages for their use. The prevailing party in any such legal action will be entitled to be compensated for its attorney's fees, court costs and other reasonable expenses.

The parties hereto recognize, and any mediator, arbitrator or judge is affirmatively advised, that certain provisions of this Agreement describe the right of DDSI or Regional Director to take (or refrain from taking) certain actions in the exercise of its Reasonable Business Judgment based on its assessment of the overall best interests of the DECORATING DEN INTERIORS System. Where such discretion has been exercised, and is supported by the Reasonable Business Judgment of DDSI or Regional Director, a mediator, arbitrator or a judge shall not substitute his or her judgment for the judgment so exercised by DDSI or Regional Director.

If a party to this Agreement fails to adhere to the agreed upon dispute resolution remedies in the sequence herein provided, it shall reimburse the non-violating party(ies) its or their court costs, attorney's fees and other legal expenses reasonably incurred in the enforcement of these dispute resolution remedies.

12.3 Civil Action. Notwithstanding Subsections 12.1 and 12.2 above, DDSI and Regional Director each reserves the right to commence a civil action or take other appropriate action to: (i) collect Service Fees, NBF Fees and other payments due to DDSI and Regional Director; (ii) compel Franchisee to comply with trademark standards and requirements to protect the goodwill of the Marks; (iii) compel Franchisee to compile and submit required reports to DDSI or Regional Director; (iv) conduct audits authorized by this Agreement; or (v) collect any amounts due under the Promissory Note, if applicable. Franchisee will pay the costs and legal fees of DDSI and/or Regional Director if such party prevails in such action.

12.4 No Punitive or Exemplary Damages. No punitive or exemplary damages shall be awarded against either DDSI or Regional Director or Franchisee, or any affiliates of any of them, in any proceeding arising under Section 12.2 hereof, and all claims to punitive or exemplary damages are hereby waived by both parties.

13. MISCELLANEOUS

13.1 Severability and Construction.

a. Except as expressly provided to the contrary herein, each section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, that determination shall not impair the operation of, or have any other effect upon, such other sections, parts, terms and/or provisions of this Agreement as may remain otherwise valid; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms and/or provisions shall be deemed not to be part of this Agreement.

b. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, or shall be deemed, to confer upon any person or entity other than Franchisee, DDSI, Regional Director, their officers, directors, and personnel, and such of Franchisee's, DDSI's and Regional Director's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized) by Section 8 hereof, any rights or remedies under or by reason of this Agreement.

c. Franchisee and Franchisee's principals expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which DDSI or Regional Director is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

d. All captions in this Agreement are intended solely for the convenience of reference, and shall not be deemed to affect the meaning or construction of any provision in this Agreement.

e. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable. Without limiting the obligations individually undertaken by Franchisee's principals hereunder, all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all of Franchisee's principals.

f. The term "Franchisee's principal(s)" as used in this Agreement is defined in the following manner. If the Franchisee is a corporation, limited partnership or limited liability company, then any person owning 10% or more of the outstanding and issued common stock, limited partnership interest or limited liability company interest is a Franchisee principal, and must personally guarantee the corporation's or limited partnership's performance of this Agreement. If the Franchisee is a general partnership, then each partner is a Franchisee principal, and must sign this Agreement and the personal guarantee form.

g. This Agreement may be executed in counterparts, and each copy so executed shall be deemed an original.

13.2 Effect of Waivers.

Time is of the essence of this Agreement. No waiver by DDSI and/or Regional Director of any default in performance on the part of Franchisee or waiver of a breach of this Agreement shall constitute a waiver of any subsequent breach.

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.

13.3 Remedies.

In the event it becomes necessary for DDSI or Regional Director to institute against Franchisee any action at law, in equity, or in arbitration (or to counterclaim in these proceedings) to secure or protect DDSI's or Regional Director's rights under this Agreement, DDSI and Regional Director shall be entitled to recover as part of any judgment entered therein in their favor reasonable costs of collection, including, but not limited to, legal fees, court costs, arbitration fees, and damages.

13.4 Notices.

Any notice required or permitted to be given hereunder shall be in writing and shall be deemed delivered when given by personal service; by depositing a copy thereof in United States certified or registered mail, with postage thereon fully prepaid; by expedited ("express") mail; or by hand delivery addressed to DDSI, Regional Director or Franchisee, as the case may be, at the addresses that appear on the Signature Page of this Agreement. In addition, notices may be sent by facsimile or by email to the last known facsimile number or email address provided that a confirmation of delivery is obtained. The addresses hereby given for the service of notice may be changed at any time by any party through written notice given to the other(s) as herein provided. If delivery of any notice properly given under this provision is refused or delivery cannot otherwise be completed, the notice will be deemed delivered on the first attempted delivery.

13.5 Benefit and Burden.

This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns (if permitted pursuant to Section 8).

13.6 GOVERNING LAW, JURISDICTION and VENUE.

THIS AGREEMENT IS EXECUTED IN THE STATE OF MARYLAND AND SHALL BE CONSTRUED AND GOVERNED, AS TO FORM, SUBSTANCE, PROCEDURE, RIGHTS, AND REMEDIES, SOLELY BY THE LAWS OF MARYLAND. THE UNITED STATES ARBITRATION ACT (9 U.S.C. §1 ET SEQ.) SHALL GOVERN JURISDICTIONAL ISSUES RESPECTING ARBITRATION OF DISPUTES UNDER SECTION 12 OF THIS AGREEMENT; AND THE LANHAM ACT (15 U.S.C. §1051 ET SEQ.) SHALL GOVERN ANY ISSUE INVOLVING THE MARKS.

DDSI, REGIONAL DIRECTOR/MASTER LICENSEE, AND FRANCHISEE HEREBY SUBMIT TO THE JURISDICTION AND VENUE OF ALL COURTS LOCATED WITHIN MARYLAND FOR ALL MATTERS NOT SUBJECT TO ARBITRATION IN ACCORDANCE WITH SECTION 12. FRANCHISEE ACKNOWLEDGES THAT DDSI HAS SELECTED THE FEES AND SERVICES PROVIDED IN THIS FRANCHISE AGREEMENT BASED IN PART ON THIS JURISDICTION AND VENUE SELECTION CLAUSE, AND FRANCHISEE EXPRESSLY CONSENTS TO THE PERSONAL JURISDICTION AND VENUE OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF MARYLAND. THE PARTIES AGREE THAT ALL DISPUTES SUBMITTED TO A COURT PURSUANT TO THIS SECTION 13.6 SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, AND HEREBY EXPRESSLY WAIVE ALL RIGHTS TO A JURY TRIAL.

13.7 Rights of Parties are Cumulative.

The rights of the Parties under this Agreement are cumulative and no exercise or enforcement by either Party of any right or remedy under this Agreement shall preclude the exercise or enforcement by such Party of any other right or remedy under this Agreement or which such Party is entitled by law to enforce.

13.8 Entire Agreement.

This Agreement, the exhibits attached hereto, and the documents referred to herein, shall be construed together and constitute the entire, full and complete agreement between and among DDSI, Regional Director, and Franchisee concerning the subject matter hereof, and it shall supersede any and all prior and existing agreements, either oral or in writing, between or among the parties hereto with respect to the subject matter hereof. There are no representations, inducements, promises, or agreements, oral or otherwise, between or among the parties not embodied herein, that are of any force or effect with reference to this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on any party unless set forth in writing and executed by all parties. Nothing in this Agreement or in any related agreement is intended to disclaim DDSI's representations made in the Franchise Disclosure Document. This Agreement shall not be effective until an authorized officer of DDSI signs it.

14. ACKNOWLEDGMENTS.

Franchisee hereby acknowledges the following:

(a) FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR OR ITS AGENT HAS PROVIDED FRANCHISEE WITH A FRANCHISE DISCLOSURE DOCUMENT NOT LATER THAN 14 CALENDAR DAYS BEFORE THE EXECUTION OF THIS AGREEMENT, OR 14 CALENDAR DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION; AND THAT, IF APPLICABLE, EARLIER DISCLOSURE WAS PROVIDED AT THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF A FRANCHISE IF THE OFFERING IS GOVERNED BY THE STATE FRANCHISE LAWS OF NEW YORK, OR RHODE ISLAND. FRANCHISEE FURTHER ACKNOWLEDGES THAT FRANCHISEE HAS READ SUCH FRANCHISE DISCLOSURE DOCUMENT AND UNDERSTANDS ITS CONTENTS.

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(b) FRANCHISE OWNER ACKNOWLEDGES THAT FRANCHISOR HAS PROVIDED FRANCHISEE WITH A COPY OF THIS AGREEMENT AND ALL RELATED DOCUMENTS, FULLY COMPLETED.

_____
Initial

(c) FRANCHISEE IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS DEVELOPERS AND FRANCHISEE'S MAY DIFFER MATERIALLY.

_____
Initial

(d) FRANCHISEE ACKNOWLEDGES THAT THIS INSTRUMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES. THIS AGREEMENT TERMINATES AND SUPERSEDES ANY PRIOR AGREEMENT BETWEEN THE PARTIES CONCERNING THE SAME SUBJECT MATTER.

_____
Initial

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.

[Signatures are on the following page.]

SIGNATURE PAGE

Franchisee Name: _____

Franchisee Address: _____

_____

Telephone: _____

E-Mail: _____

Designated Location:_____

In Witness Whereof, the parties have set their hands on the dates set forth below:

Date of Execution of this Agreement by Franchisee: _____
Date of Execution of this Agreement by Regional Director: _____
Date of Execution of this Agreement by DDSI: _____

DECORATING DEN SYSTEMS, INC.
8659 Commerce Drive
Easton, MD 21601

By: _____
Name: James Bugg, Jr.
Title: President & CEO

FRANCHISEE

_____
[Printed Name]

_____
[Signature]

REGIONAL DIRECTOR
Region Number: _____

By: _____
Name: _____
Title: _____

SIGNATURE PAGE
(Partners)

Franchisee Name(s): _____

Franchisee Address: _____

_____

Telephone: _____

E-Mail: _____

Designated Location:_____

In Witness Whereof, the parties have set their hands on the dates set forth below:

Date of Execution of this Agreement by Franchisee: _____

Date of Execution of this Agreement by Regional Director: _____

Date of Execution of this Agreement by DDSI: _____

DECORATING DEN SYSTEMS, INC.
8659 Commerce Drive
Easton, MD 21601

By:_____
Name: James Bugg, Jr.
Title: President & CEO

REGIONAL DIRECTOR
Region Number: _____

By _____
Name:_____
Title: _____

FRANCHISEE

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

The above named persons are equal partners. The following person is authorized to act on behalf of the Franchisee in all matters.

_____
[Print One Name]

SIGNATURE PAGE

(Corporation or LLC)

Franchisee Name: _____

Franchisee Address:_____

_____

Telephone: _____

E-Mail: _____

Designated Location:_____

In Witness Whereof, the parties have set their hands on the dates set forth below:

Date of Execution of this Agreement by Franchisee: _____

Date of Execution of this Agreement by Regional Director: _____

Date of Execution of this Agreement by DDSI: _____

DECORATING DEN SYSTEMS, INC.
8659 Commerce Drive
Easton, MD 21601

By: _____
Name: James Bugg, Jr.
Title: President & CEO

FRANCHISEE

_____
Name of Entity

By: _____
Name: _____
Title: _____

REGIONAL DIRECTOR
Region Number: _____

By: _____
Name: _____
Title: _____

The above Franchisee is a
[__] Corporation
[__] LLC

Formed under the laws of _____
[State]

The following person is authorized to act on behalf of the Franchisee in all matters:

Addendum to Franchise Agreement
(To The Trade Program)

Whereas, Decorating Den Systems, Inc. ("DDSI") and the undersigned Franchisee have entered into a Franchise Agreement on even date herewith (the "Franchise Agreement"), and

Whereas, DDSI offers a program known as the To The Trade program to encourage business owners and certain other people with prior experience in interior decorating to become a franchisee of DDSI and join the DDSI franchise system, and

DDSI has determined that the undersigned Franchisee qualifies for the To The Trade Program, and

Whereas, the parties wish to memorialize the terms and conditions of the To The Trade Program.

Now, Therefore, in consideration of the premises and other good and valuable consideration, receipt and sufficiency of which is hereby expressly acknowledged by each of the undersigned, the parties agree to amend the Franchise Agreement as follows:

1. Notwithstanding anything to the contrary, the Initial Franchise Fee payable pursuant to section 3.1 of the Franchise Agreement shall be TWENTY-NINE THOUSAND NINE HUNDRED and NO/100 DOLLARS ($29,900.00), which amount shall be paid as set forth in section 3.2 of the Franchise Agreement.

2. Section 3.3b of the Franchise Agreement is amended to read:

   "If and so long as you meet the Principal Qualifying Conditions, the Service Fee percentage will be reduced below nine percent (9%) as follows:

CUMULATIVE GROSS SALES (on which Service Fees have been paid plus the Prior Sales Credit)	**SERVICE FEE PERCENTAGE**
$0 – 1,000,000	9%
$1,000,001 - 2,000,000	8%
OVER $2,000,000	7% Permanently

The Service Fee percentages are based on cumulative Gross Sales on which Service Fees have been paid over the life of the Agreement, including all renewal terms, plus the Prior Sales Credit. The amount of Gross Sales required to cause a reduction in Service Fee percentage may be increased by DDSI once each calendar year, but such increase may not exceed the increases in the Consumer Price Index ("CPI") for the immediately preceding

calendar year. For purposes hereof, "Prior Sales Credit" means the verified gross sales achieved by Franchisee in the field of home furnishings products and services during the 3 years prior to becoming a franchisee, which the parties agree is $_____."

3. Franchisee shall be eligible to participate in DDSI's NBF Revenue Sharing Policy, as the same may be modified from time to time.

4. Defined terms used herein shall have the same meaning given in the Franchise Agreement.

5. In the event of an inconsistency between this Amendment and the Franchise Agreement, the terms hereof shall prevail.

6. The terms of this Amendment shall not be transferable to a third party.

In Witness Whereof, the parties have set their hands on the dates set forth below:

DECORATING DEN SYSTEMS, INC.
8659 Commerce Drive
Easton, MD 21601

By: _____
Name: James Bugg, Jr.
Title: President & CEO
Date: _____

FRANCHISEE

_____
[Printed Name]

_____
[Signature] [Date]

REGIONAL DIRECTOR
Region Number: _____

By: _____
Name: _____
Title: _____
Date: _____

Addendum to Franchise Agreement
(Educational Credit Program)

Whereas, Decorating Den Systems, Inc. ("DDSI") and the undersigned Franchisee have entered into a Franchise Agreement on even date herewith (the "Franchise Agreement"), and

Whereas, DDSI offers a program known as the Educational Credit Program to encourage business owners and certain other people with prior education in interior decorating to become a franchisee of DDSI and join the DDSI franchise system, and

Whereas, DDSI has determined that the undersigned Franchisee qualifies for the Educational Credit Program, and

Now, Therefore, in consideration of the premises and other good and valuable consideration, receipt and sufficiency of which is hereby expressly acknowledged by each of the undersigned, the parties agree to amend the Franchise Agreement as follows:

1. Notwithstanding anything to the contrary, the Initial Franchise Fee payable pursuant to section 3.1 of the Franchise Agreement shall be THIRTY-FOUR THOUSAND NINE HUNDRED and NO/100 DOLLARS ($34,900.00), which amount shall be paid as set forth in section 3.2 of the Franchise Agreement.

2. Defined terms used herein shall have the same meaning given in the Franchise Agreement.

3. In the event of an inconsistency between this Amendment and the Franchise Agreement, the terms hereof shall prevail.

In Witness Whereof, the parties have set their hands on the dates set forth below:

DECORATING DEN SYSTEMS, INC.

By:_____
Name:_____
Title:_____
Date:_____

FRANCHISEE

_____
Name: _____
Date: _____

EXHIBIT E2

TECHNOLOGY LICENSE AND SUPPORT AGREEMENT

This Technology License and Support Agreement (the "Agreement") is entered into between **DECORATING DEN SYSTEMS, INC**., a Missouri corporation with its principal place of business at 8659 Commerce Drive, Easton, Maryland 21601 ("Franchisor") and _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have previously entered into, or are contemporaneously entering into, a franchise agreement ("Franchise Agreement") pursuant to which Franchisor has granted, or is granting, to Franchisee, and Franchisee has agreed to, or is agreeing to, undertake the obligations of a Decorating Den Interiors® franchisee. One of Franchisee's obligations under the Franchise Agreement is to utilize such computer hardware and software as Franchisor may periodically require.

WHEREAS, Franchisor has developed and requires all of its franchisees to use a proprietary, cloud-based technology system, called Back Office Support System ("B.O.S.S."). B.O.S.S. currently consists of customer relationship management tools, marketing tools, communication tools, sales and royalty reports, project management tools, and accounting tools.

WHEREAS, the parties desire to define the terms and conditions on which the Franchisor will license Franchisee to use and access B.O.S.S. and to provide for the training, maintenance and support of B.O.S.S. by Franchisor.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged by each of the undersigned, the parties agree as follows:

1. **GRANT OF LICENSE**

   (a) ***License.*** Franchisor grants to Franchisee the non-exclusive right to use B.O.S.S., subject to the terms and conditions set forth in this Agreement.

   (b) ***Scope of Use.*** Franchisee may use B.O.S.S. solely for Franchisee's internal needs in the operation of Franchisee's business as a franchisee of Franchisor, and will not make B.O.S.S. available to or permit the use thereof by any person or entity except to the extent and in the manner permitted under Section 4 below.

   (c) ***No Assignment.*** The license granted hereby is personal to Franchisee, is nonassignable and may not be sub-licensed.

   (d) ***Ownership.*** Franchisee acknowledges that Franchisee has no ownership rights in B.O.S.S. and no other rights with respect to B.O.S.S. except those expressly granted by this Agreement.

(e) Limitations. Franchisee acknowledges and understands that access to certain portions of B.O.S.S. may require use of Google *Chrome®,* and that B.O.S.S. is not currently configured to be mobile-enabled.

2. TRAINING AND SUPPORT

(a) ***B.O.S.S.*** Franchisor will provide training and support to Franchisee with respect to use of B.O.S.S. Franchisee agrees to cooperate with Franchisor in all matters relating to the initialization and support of B.O.S.S., and the training of Franchisee's personnel with respect to B.O.S.S. Franchisor may, in its sole discretion, assign any or all duties under this Agreement to any party, including any affiliate of Franchisor or third party, without the consent of or notice to any party, and Franchisee agrees to cooperate with any such party and accept performance of such duties by such party in the same manner as if Franchisor were providing the services or performing the duties.

(b) ***Training and Support.*** Franchisor will provide such training and support to Franchisee by telephone and over the internet during Franchisor's normal business hours. Franchisor will provide up to ten hours of such training and support within the first two months following the initialization of access to B.O.S.S. by the Franchisee, and up to two hours per month during each month thereafter during the term of this license. The amount and types of support and the fees for support may change or increase from time to time.

(c) ***Maintenance, Upgrades and Fixes.*** Franchisor may, in its discretion, modify or create new versions of B.O.S.S. from time to time.

3. FEES

(a) ***No License Fee.*** Franchisee is not required to pay any license fee upon signing this Agreement.

(b) ***Monthly Support Fee.*** Franchisee shall pay to Franchisor a monthly support fee of $100 for support and training.

(c) ***Additional Log-in Fees.*** Franchisee may, by notice to Franchisor, obtain additional log-ins for its decorators, administrative staff or other persons at the rate of $35 each per month or part thereof for each additional log-in. Such fees shall be paid at the same time as the monthly support fee, i.e., on the first day of each month for such month. In addition, if Franchisor develops proprietary software other than B.O.S.S. that Franchisor requires or permits Franchisee to use, Franchisor may charge Franchisee a license maintenance fee for such software that will be reasonable in light of the fees that other companies charge for comparable software packages. Unless the parties enter into a separate license agreement for such software, the terms and conditions of such license will be the same as those set forth in this Agreement.

(d) ***Payment.*** All fees due hereunder shall be paid in advance on or before the first day of each month, beginning on the first day of the first full calendar month after the date hereof, by automated bank draft, commonly referred to as ACH.

(e) ***Late Payments.*** Any payment to be made by Franchisee that is not made within ten days after the due date will bear interest at the rate of 1½% per month, or the highest rate allowed by law, whichever is less.

(f) Beginning January 1, 2023, Franchisor may increase the monthly support fees, the fees for additional log-ins, and/or modify the services that are provided by those fees, provided Franchisee is notified of any changes in the fees at least 30 days in advance and further provided that any change is applicable on a franchise system-wide basis. Such notice may be sent by fax, email, postal service or other means designed to give notice to Franchisee.

4. CONFIDENTIALITY AND LIMITED ACCESS

(a) ***Nondisclosure.*** Franchisee agrees to maintain B.O.S.S., and the data generated by the use of B.O.S.S. in confidence by using at least the same physical and other security measures that Franchisee uses for its own confidential information. Franchisee further agrees not to allow anyone to access or use B.O.S.S. or to see data that it generates other than Franchisee's agents and representatives who have a need to have access to or to use B.O.S.S. in order to support Franchisee's authorized use thereof, provided that each such employee, agent and representative shall have signed an undertaking to Franchisee acknowledging that he or she is bound by an obligation of confidentiality.

5. REPRESENTATIONS; WARRANTIES; LIMITATIONS OF LIABILITY; INDEMNITY

(a) ***Franchisor's Representations.*** Franchisor hereby represents, warrants and covenants that B.O.S.S. will not infringe, nor will Franchisee's authorized use of B.O.S.S. in the manner permitted under this Agreement infringe, any U.S. patent, copyright or trade secret of any third party.

(b) ***Disclaimer of Warranty.*** **EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, FRANCHISOR DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY WHATSOEVER. FRANCHISOR EXPRESSLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

(c) ***Limitation of Liability.*** **THE LIABILITY OF FRANCHISOR TO FRANCHISEE WILL BE LIMITED TO DIRECT DAMAGES EXCEPT IN THE CASE OF A CLAIM FOR INDEMNIFICATION UNDER SECTION 5(d). IN NO EVENT WILL FRANCHISOR BE LIABLE FOR INCIDENTAL, SPECIAL, INIDRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF**

FRANCHISOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(d) ***Franchisee's Right to Indemnification.*** If a third party claims that B.O.S.S. infringes any U.S. or Canadian patent, copyright, or trade secret, Franchisor will (as long as Franchisee is not in default under this Agreement or any other agreement with Franchisor or any of Franchisor's affiliates) defend Franchisee against such claim at Franchisor's expense and pay all damages that a court finally awards, provided that Franchisee promptly notifies Franchisor in writing of the claim, and allows Franchisor, at its expense, to control the defense or any related settlement negotiation, further provided that Franchisee cooperates in such defense or settlement negotiations. If such a claim is made or appears possible Franchisor may, at its option and expense, secure for Franchisee the right to continue to use B.O.S.S., modify B.O.S.S. or replace B.O.S.S. so that it is non-infringing, or, if none of the foregoing options is available in Franchisor's judgment, terminate the license granted by this Agreement. Franchisor has no obligation with respect to any claim based on a version of B.O.S.S. that is modified without Franchisor's authorization or is combined, operated or used with any product, data, or apparatus not specified or approved by Franchisor. **THIS SUB-SECTION STATES THE ENTIRE OBLIGATION OF FRANCHISOR TO FRANCHISEE WITH RESPECT TO ANY CLAIM OF INFRINGEMENT.**

6. TERMINATION.

(a) Term. Except as otherwise expressly set forth herein, the parties intend that the term of this Agreement will be coextensive with the Franchise Agreement and all renewals and extensions thereof.

(b) Automatic Termination. This Agreement and the license granted hereby will automatically terminate upon the expiration, nonrenewal, termination or cancellation of the Franchise Agreement for any reasons whatsoever.

(c) Termination by Franchisor. Franchisor may terminate this Agreement and the license granted hereby upon notice to Franchisee with immediate effect in the event that either: (i) Franchisee materially breaches any of its obligations under this Agreement or under the Franchise Agreement, or (ii) Franchisor requires Franchisee to cease using B.O.S.S.

(d) Discontinued Access to B.O.S.S. Franchisee understands that Franchisee's access to B.O.S.S. will automatically cease to function fully or at all in the event that Franchisee fails in a timely manner to (i) submit to Franchisor the reports required by Franchisor, or (ii) pay to Franchisor the required maintenance fee. Franchisor reserves the right to discontinue Franchisee's access to B.O.S.S. in whole or in part in the event that Franchisee materially breaches this Agreement or the Franchise Agreement. Franchisor will not, and Franchisee acknowledges that Franchisor will not, be liable to Franchisee for any damages

whatsoever that may directly or indirectly result from Franchisor's disabling of the functionality of B.O.S.S. pursuant to this section.

(e) ***No Refunds.*** Upon termination of this Agreement, or if Franchisee's access to B.O.S.S. is discontinued as described above, Franchisee will not receive any refund of any payments made to Franchisor.

7. MISCELLANEOUS

(a) ***Remedies.*** Franchisee acknowledges that any breach of the covenants set forth in Sections 1(b), (c), (d) or (e), or of Section 4 of this Agreement would cause irreparable damages to Franchisor that would be incapable of precise measurement and for which no adequate remedy would exist at law. Franchisee therefore agrees that injunctive relief shall be available for any such breach in addition to other remedies that may be available.

(b) ***Acknowledgment.*** Franchisee acknowledges that it has and shall acquire no right to ownership of the service mark "B.O.S.S."

(c) ***Notices.*** All notices, requests, consents and other communications required or permitted by this Agreement shall be in writing and shall be delivered by hand, fax, overnight delivery service, or registered or certified mail, to the then-current address of the recipient known by the sender, to the attention of the person then holding the title of the person signing this Agreement on behalf of the recipient. Any such notice, request, consent or other communication shall be deemed given and be effective upon the earlier of (i) receipt at such address, or (ii) five (5) business days after the sending of such communication.

(d) ***Entire Agreement; Amendments.*** This Agreement constitutes the full understanding between the parties relating to the subject matter hereof, superseding all prior agreements, arrangements, and understandings between the parties relating to its subject matter. This Agreement may not be changed or amended in any way unless the same are in writing signed by the parties hereto.

(e) ***Waiver.*** No delay, omission or failure to exercise any right or remedy provided for herein will be deemed to be a waiver thereof or acquiescence in the event giving rise to such right or remedy. No waiver will be binding unless contained in a writing signed by the party waiving its rights. Any waiver is limit6ed to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default.

(f) ***Governing Law.*** This Agreement will be governed by and construed in accordance with the laws of the State of Maryland applicable to agreements made in and to be entirely performed within the State of Maryland, without regard to its conflicts of laws principles.

(g) ***Disputes.*** The provisions of the Franchise Agreement governing dispute resolution and related issues (including venue and attorneys' fees) are incorporated into this Agreement by reference.

In Witness Whereof, the parties have set their hands on the dates set forth below:

FRANCHISEE:

_____

_____, Individually

Accepted as of this _____ day of _____ 20___ in Easton, Maryland.

DECORATING DEN SYSTEMS, INC.

By: _____
James S. Bugg, Jr.
President and CEO

EXHIBIT E3

DECORATING DEN
INTERIORS®

CERTIFICATION AND GUARANTY

The undersigned hereby certify that _____ ("Franchisee") is a corporation, limited partnership, limited liability company or partnership duly organized, validly existing and in good standing under the laws of the State of _____. Franchisee has executed and desires to enter into a Decorating Den Systems, Inc. Franchise Agreement, dated _____ (the "Franchise Agreement") and a certain Technology License and Support Agreement (the "Technology Agreement"). The person who signed the Franchise Agreement and the Technology Agreement is a duly elected officer, member or partner of Franchisee with full power and authority to execute and deliver the Franchise Agreement and the Technology Agreement on behalf of Franchisee.

The undersigned hereby represent and warrant that they are (i) the holders of all of the issued and outstanding shares of the Franchisee, or (ii) the holders of all of the limited partnership interest or limited liability company interest of the Franchisee, or (iii) the owners of all of the partnership interests in, the Franchisee.

The names, addresses and percentage ownership of the shareholders, members or partners are as follows:

Name	Address	Percentage Interest

In consideration of, and as an inducement to, Decorating Den Systems, Inc. ("DDSI") entering into the Franchise Agreement and the Technology Agreement, the undersigned hereby, jointly and severally, (1) irrevocably and unconditionally guarantee the full and timely performance by the Franchisee of each and every payment, covenant, obligation, agreement, undertaking and duty of the Franchisee under the terms of the Franchise Agreement and the Technology Agreement, (2) authorize DDSI to renew, amend and otherwise deal with the Franchise Agreement, the Technology Agreement and Franchisee without notice to the undersigned, (3) waive any right to require DDSI to proceed against or exhaust any remedy against Franchisee, and agree that DDSI shall have the right to proceed

directly against the undersigned under this Guarantee. DDSI shall have the right to assign this Guarantee and the Franchise Agreement and the Technology Agreement without the consent of or notice to the undersigned. DDSI shall be entitled to receive from the undersigned all costs and expenses, including reasonable attorneys' fees, incurred to enforce its rights and pursue its remedies under this Guarantee.

This Guarantee shall be binding upon and inure to the benefit of the undersigned and DDSI and their respective heirs, administrators, successors and assigns.

DATED: _____.

_____	_____
Individually	Individually
_____	_____
Individually	Individually

Exhibit E4

Authorization Agreement For Automatic Payment

I, _____, hereby authorize (1) Decorating Den Systems, Inc., ("**DDSI**") to initiate debit entries to my Checking [__] or Savings [__] account indicated below, and (2) the depository named below, ("**Depository**") to debit the same such account.

Amount: (1) Service Fees, National Brand Fund Fees, and any other fees or payments owed by me pursuant to my Franchise Agreement or related agreements with DDSI; (2) technology license or support fees owed by me pursuant to my Franchise Agreement or related agreements with DDSI; and (3) Payments owed by me pursuant to any current or future Promissory Note(s) in favor of DDSI to evidence moneys owing under my Franchise Agreement.

Debit Date: (1) Seven (7) business days after the applicable Cut-off Date (i.e., the 15th day and Last Day of each month; (2) on the 1st day of each month; and (3) the date(s) indicated in any such Promissory Note(s).

Bank Name: _____

_____ City _____ State

Banking Transit/ABA No.: _____
(always nine digits)

Account No.: _____

ATTACH TO THIS FORM A VOIDED CHECK IF CHECKING ACCOUNT DEBIT OR A SAVINGS DEPOSIT TICKET IF SAVINGS ACCOUNT DEBIT. ***(Please note: Savings deposit ticket may not include DEPOSITORY bank's transit/ABA number.)***

This authorization is to remain in full force and effect until DDSI has received written notification from me of its termination in such time and in such manner as to afford DDSI a reasonable opportunity to act on it.

_____	_____	_____
Authorized Signature for Above Account	Printed Name	Date
_____	_____	_____
Authorized Signature for Above Account (If second signature is required)	Printed Name	Date

EXHIBIT E5

PROMISSORY NOTE

$20,000.00

FOR VALUE RECEIVED, the undersigned, jointly and severally, ("Borrower" or "Maker") promises to pay to the order of Decorating Den Systems, Inc., a Missouri corporation, ("DDSI") at 8659 Commerce Drive, Easton MD 21601 or any other such place or address as DDSI or any other holder of the Note hereafter may designate, the principal amount of TWENTY THOUSAND and 00/100 Dollars ($20,000.00) together with interest at the rate of eight per cent (8%) per annum. This is the Promissory Note as defined in a Decorating Den Interiors Franchise Agreement (the "Franchise Agreement") of even date herewith.

1. Interest begins to accrue on the first day of the first full calendar month following the date when Borrower completes DDIU or six months from the date hereof, whichever first occurs. The undersigned shall pay principal and interest in sixty (60) equal monthly installments of $405.63 each on the first day of each month, commencing the first day of the first (1st) full calendar month after Borrower's completion of DDIU or six months from the date hereof, whichever first occurs, and continuing on the same day of each month thereafter until all principal and interest shall have been paid in full.

2. The undersigned agrees to pay installment payments on the Promissory Note by a direct debit of Borrower's bank account for such amounts on the due date, utilizing the Automated Clearing House (ACH) or other automatic bank payment function. All bank charges for such electronic direct debit shall be borne by Borrower. Borrower shall concurrently with the execution of this Note, and from time to time thereafter upon request by DDSI, execute an appropriate authorization agreement for automatic payment to permit a bank designated by DDSI to initiate debit entries to, and to debit, the bank account designated by Borrower.

3. If any payment due under this Note remains in default for more than ten (10) days after the due date or in the event of a termination, expiration or non-renewal of the Franchise Agreement for any reason whatsoever, the holder of this Note may declare the entire balance of principal and interest immediately due and payable. A breach of Borrower's obligations hereunder shall be deemed to be and is a breach of Borrower's obligations under the Franchise Agreement.

4. Maker may prepay this Note at any time, in whole or in part, without penalty.

5. The Maker and all endorsers, sureties, and guarantors of this Note, jointly and severally: (a) waive presentment, demand for payment, notice of dishonor, and all other notices and demands in connection with the delivery, acceptance, performance, default, endorsement, or guaranty of this Note; (b) consent that the time of payment may be extended from time to time and on any terms and conditions without notice to any of us; (c) agree that additional co-makers, guarantors, and sureties may become parties to this Note without notice to any of us; and (d) waive any and all benefits of homestead exemptions and all other exemptions to which we may be or become entitled under present or future law.

6. If a required payment is not made within 10 days of the due date, the undersigned shall pay in addition to the regular installment a late charge in the amount of $50.00. The undersigned agrees to pay, in addition to the unpaid principal and interest of this Note, all collection costs, including reasonable attorney's fees, that may be incurred by the holder of this Note in enforcing its rights under this Note. No delay or omission on the part of the holder in the exercise of any right or remedy shall operate as a waiver thereof, or as a novation, and no single or partial exercise by the holder of any right or remedy shall preclude other or further exercises thereof, or of any other right or remedy.

7. The holder of this Note shall also be entitled, at its discretion and from time to time, to bring any action, suit, or proceeding touching or concerning this Note against all makers, endorsers, and guarantors in any state where a maker, endorser, guarantor, payee, or holder resides or has a place of business. To the maximum extent permitted by law the defendants in any such action, suit, or proceeding shall not interpose any counterclaim of any kind and jointly and severally waive any right to trial by jury.

8. This Note is to be governed by and construed in accordance with the laws of the State of Maryland. In any action brought under or arising out of this Note, the undersigned hereby consents to the *in personam* jurisdiction of any Federal or state court in the State of Maryland, waives any claim or defense that such forum is not convenient or proper, and consents to service of process by any means authorized by Maryland law. The debt evidenced by this Note has been incurred for business and commercial purposes and in connection with the operation of a business enterprise.

Executed and delivered by the undersigned this on _____.

_____	_____
[Signature]	[Signature]
_____	_____
[Printed Name]	[Printed Name]

EXHIBIT E6

RELEASE

(Voluntary Termination)

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

THIS RELEASE is made by and among the undersigned **Decorating Den Interiors Franchise Owner(s)** (if more than one person, jointly and severally, "Franchise Owner"), **Decorating Den Systems, Inc**., a Missouri corporation ("DDSI") and the **Regional Director, Master Licensee,** or **Regional Manager** identified below, if any.

Franchise Owner is a party to a Decorating Den Interiors Franchise Agreement (the "Franchise Agreement"), and has requested the consent of DDSI and Regional Director, Master Licensee or Regional Manager, if any, to a voluntary termination of the franchise in accordance with the applicable provisions of the Franchise Agreement. By execution below Franchise Owner represents and warrants that Franchise Owner has complied with all material provisions of the Franchise Agreement, including without limitation reporting and Gross Sales and payment of Service Fees and NMF Fees.

NOW, THEREFORE, CONSIDERATION of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

- The parties hereby agree that the Franchise Agreement is or was terminated effective _____.
- Franchise Owner, individually and on behalf of his, her or their heirs, administrators, successors and assigns, irrevocably releases and forever discharges DDSI and Regional Director/Regional Manager/Master Licensee, and each of them, and their respective shareholders, directors, officers, employees, agents, successors and assigns, of and from any and all claims, demands, causes of action, damages, costs, expenses, attorneys fees and obligations of any nature whatsoever, known or unknown, in law or in equity, which they ever had, now have or may hereafter have arising out of or in any way connected with any matters or events occurring on or before the date of this Release, including without limitation the Franchise Agreement and the franchise relationship among the parties.
- DDSI and Regional Director/Regional Manager/Master Licensee, and each of them, irrevocably releases and forever discharges Franchise Owner, individually and on behalf of his, her or their heirs, administrators, successors and assigns, of and from any and all claims, demands, causes of action, damages, costs, expenses, attorneys fees and obligations of any nature whatsoever, known or unknown, in law or in equity, which they ever had, now have or may hereafter have arising out of or in any way connected with any matters or events occurring on or before the date of this Release, including without limitation the Franchise Agreement and the franchise relationship among the parties, ***EXCEPT*** (i) Section 6 (Covenants – Confidential Information and Covenant Not To

Compete), (ii) Section 10 (Rights and Duties of Parties Upon Expiration, Termination or Non-Renewal), and (iii) Section 12 (Mediation and Arbitration).

This Release shall be governed and construed in accordance with the laws of the State of Maryland.

The Franchise Owner(s) represents and agrees that she, he or they have (or have each) carefully read this Release and knows and understands the contents of it, and has or have freely executed it on the date set forth below.

_____
Franchise Owner Signature [Date]

_____
Franchise Owner Print Name

_____
Franchise Owner Signature [Date]

_____
Franchise Owner Print Name

DECORATING DEN SYSTEMS, INC.
8659 Commerce Drive
Easton, MD 21601

By: _____
Name: James Bugg, Jr.
Title: President & CEO
Date: _____

REGIONAL DIRECTOR MASTER LICENSE OR REGIONAL MANAGER (if applicable)

_____
[Printed Name]

By: _____
[Signature] [Date]

EXHIBIT E7

STATE LAW ADDENDUMS TO FRANCHISE AGREEMENT

AMENDMENT TO THE DECORATING DEN SYSTEMS, INC.
FRANCHISE AGREEMENT
AS REQUIRED BY THE STATE OF CALIFORNIA

Notwithstanding anything to the contrary, the Decorating Den Interiors Franchise Agreement (the "Agreement") of even date herewith by and between Decorating Den Systems, Inc. ("DDSI") and the Franchisee(s) named below is hereby amended by the following:

1. If any of the provisions of the Agreement concerning termination and non-renewal of a franchise are inconsistent with either the California Franchise Relations Act (California Business and Professions Code §§ 20000 through 20043) or with federal bankruptcy law (11 U.S.C. §101 et seq.), then such laws will apply.

2. The Agreement requires that it be governed by Maryland law. This requirement may be unenforceable under California law.

3. Franchisee must sign a general release if Franchisee renews or transfers the Agreement. California Corporations Code voids a waiver of Franchisee's rights under the California Franchise Investment Law (California Corporations Code 31000 through 31516), The California Franchise Relations Act, and California Business and Professions Code §20010 void a waiver of Franchisee's rights.

4. To the extent this Amendment is inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

5. Capitalized terms used in this Amendment will have the same meaning as defined in the Franchise Agreement.

6. All other provisions of the Franchise Agreement remain unchanged, and in full force and effect.

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

IN WITNESS WHEREOF, DDSI and Franchisee have signed this Amendment on the dates indicated.

BY: _____
TITLE: _____
DATE: _____

FRANCHISEE _____

BY: _____
TITLE: _____
DATE: _____

AMENDMENT TO THE DECORATING DEN SYSTEMS, INC.

FRANCHISE AGREEMENT REQUIRED BY

THE STATE OF ILLINOIS

Illinois law governs the Franchise Agreement.

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

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

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

IN WITNESS WHEREOF, Decorating Den Systems, Inc. and Franchisee have signed this Amendment on the dates indicated.

DECORATING DEN SYSTEMS, INC.

BY: _____
TITLE: _____
DATE: _____

FRANCHISEE

BY: _____
TITLE: _____
DATE: _____

DECORATING DEN SYSTEMS, INC.
AMENDMENT TO THE DECORATING DEN FRANCHISE AGREEMENT
REQUIRED BY INDIANA LAW

In recognition of the requirements of the Indiana Code, Title 23, Article 2, and Chapter 2.7, Sections 1 through 7 (the Indiana Deceptive Franchise Practices Law), the parties to the attached Decorating Den Franchise Agreement (the "Franchise Agreement") agree to amend the Franchise agreement as follows:

Section 2: Section 2.2(e) of the Franchise Agreement, Page 5, is amended as follows: The following sentence is added at the end of this paragraph:

"Indiana Code 23-2-2.7-1(5) prohibits a franchisee to prospectively assent to a release of any claim subject to liability under the Indiana Deceptive Franchise Practices Law."

Section 6: Section 6.2(d) of the Franchise Agreement – The following sentence is added the end of this sentence:

"The franchisor may not substantially modify the Franchise Agreement without written consent of the franchisee under Indiana Code 23-2-2.7-1(3)."

Section 6.2(f) of the Franchise Agreement – The following sentence is added at the end of this paragraph:

"This provision may not be fully enforceable under Indiana Code 23-2-2.7-1(10), which provides that the Franchise Agreement may not limit litigation brought for breach in any manner whatsoever."

Section 8: Section 8.3(b)(vii) of the Franchise Agreement - The following sentence is added at the end of this paragraph:

"Indiana Code 23-2-2.7-1(5) prohibits a franchisee to prospectively assent to a release of any claim subject to liability under the Indiana Deceptive Franchise Practices Law."

Section 10: Section (a) of the Franchise Agreement – The following sentence is added at the end of this paragraph:

"Provisions regarding the absence of trespass or tort liability may not be enforceable under Indian Code 23-2-2.7-1(10), which provides that he Franchise Agreement may not limit any litigation brought for breach of the agreement in any manner whatsoever."

Section 11: Section 11.4 d of the Franchise Agreement - The following sentence is added at the end of this paragraph:
"Any indemnification for liability caused by the Franchisee's proper reliance on or use of procedures or materials provided by the Franchisor or caused by the Franchisor's negligence is hereby excluded."

Section 12: Section 12.1 - The following sentence is added at the end of this paragraph:

"The cost of transportation from franchisee's location to Easton, Maryland and the cost of franchisee's lodging, for the pre-arbitration mediation will be borne by the franchise. This provision may not be fully enforceable under Indiana Code 23-2-2.7-1(10), which provides that the Franchise Agreement may not limit litigation brought for breach of the agreement in any manner whatsoever."

Section 12.2 - The following sentence is added at the end of this paragraph:

"This provision may not be fully enforceable under Indiana Code 23-2-2.7-1(10), which provides that the Franchise Agreement may not limit litigation brought for breach of the agreement in any manner whatsoever."

Section 13: Section 13.3 of the Franchise Agreement - The following sentence is added at the end of this paragraph:

"This provision may not be fully enforceable under Indiana Code 23-2-2.7-1(10), which provides that the Franchise Agreement may not limit litigation brought for breach of the agreement in any manner whatsoever."

Section 13-6 – The first sentence is amended to include the following words at the beginning of the sentence:

"Except to the extent governed by the Indiana Franchise Laws,"

Promissory Note – The following sentence is added to the last paragraph of the Promissory Note:

"This provision shall not affect the franchisee's rights under Indiana Code 23-2-2.71(10), which provides that a franchise agreement may not limit litigation brought for breach of the agreement in any manner whatsoever."

All other provisions of the Franchise Agreement remain unchanged, and in full force and effect.

DECORATING DEN SYSTEMS, INC.

BY: _____
TITLE: _____
DATE: _____

FRANCHISEE

BY: _____
TITLE: _____
DATE: _____

AMENDMENT TO THE DECORATING DEN SYSTEMS, INC.
FRANCHISE AGREEMENT REQUIRED BY
THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Decorating Den Systems, Inc. Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2.e. of the Agreement, under the heading "Renewal," shall be deleted in its entirety, and the following Section e. shall be inserted in lieu thereof:

e. Franchisee shall execute a release, in form and content prescribed by DDSI, of any and all claims of Franchisee, of whatever nature or kind, against DDSI and Regional Director and their respective shareholders, officers, employee, agents, subsidiaries and affiliates, successors and assigns, including without limitation claims arising under this Agreement and any other agreement between Franchisee and DDSI and/or Regional Director of their subsidiaries or affiliates, and under any federal, state, and local laws, rules, and ordinances; excluding only such claims as Franchisee or its owner(s) may have that have arisen under the Maryland Franchise Registration and Disclosure Law, Annotated Code of Maryland, Business Regulation Article, Title 14, Sections 14-201 through 14-233.

2. Section 8.3.b.(vii) of the Agreement, under the heading "Transferability of Interest/Approval Procedure," shall be deleted in its entirety, and the following Section (vii) shall be inserted in lieu thereof:

(vii) Franchisee shall execute a general release, in a form satisfactory to DDSI and Regional Director, of any and all claims, known or unknown, against DDSI and Regional Director and their respective officers, directors, employees, agents, successors and assigns, excluding only such claims as Franchisee or its owner(s) may have arisen under the Maryland Franchise Registration and Disclosure Law, Annotated Code of Maryland, Business Regulation Article, Title 14, Sections 14-201 through 14-233.

3. Section 9.1 of the Agreement, under the heading "Termination/DDSI's and Regional Director's Right to Terminate," shall be supplemented by the following new Section d, which shall be considered an integral part of the Agreement:

d. Section 9.1.a. of this agreement provides for termination upon bankruptcy of the Franchisee. This provision may not be enforceable under federal bankruptcy law (11 U. S. C. Section 101 et seq.).

4. Section 10.f. of the Agreement, under the heading "Rights and Duties of Parties Upon Expiration, Termination Or Non-Renewal," shall be deleted in its entirety, and the following Section 10.f shall be inserted in lieu thereof:

f. Franchisee shall execute a general release, in a form satisfactory to DDSI and Regional Director, of any and all claims, known or unknown, against DDSI and Regional Director and their respective officers, directors, employees, agents, successors and assigns, excluding only

such claims as Franchisee or its owner(s) may have that have arisen under the Maryland Franchise Registration and Disclosure Law, Annotated Code of Maryland, Business Regulation Article, Title 14, Sections 14-201 through 14-233.

5. Section 14, under the heading "Acknowledgements," shall be supplemented to include the following new sentence:

The foregoing acknowledgments will not be construed as a waiver, estoppel or release of any liability incurred under the Maryland Franchise Registration and Disclosure Law, Annotated Code of Maryland, Business Regulation Section, Title 14, Sections 14-201 through 14-233.

6. Any limitations of claims provision shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

7. Notwithstanding anything to the contrary, a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

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

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment to the Franchise Agreement as of the date set forth below:

DECORATING DEN SYSTEMS, INC.

By: _____
Title: _____
Date: _____

FRANCHISEE OWNER

_____
Signature [Date]
Printed Name: _____
ADDRESS: _____

AMENDMENT TO THE DECORATING DEN SYSTEMS, INC.
FRANCHISE AGREEMENT REQUIRED BY
THE STATE OF MINNESOTA

In recognition of the Minnesota Franchises Law, Minn. Stat. Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commissioner of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached Decorating Den Systems, Inc. Franchise Agreement (the "Agreement") agree as follows:

1. Section 2, "Renewal," subparagraph 2.2e of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

   e. Franchisee shall execute a release in form and content prescribed by DDSI, of any and all claims of Franchisee, of whatever nature or kind, against DDSI and Regional Director and their respective shareholders, officers, employees, agents, subsidiaries and affiliates, successors and assigns, including without limitation, claims under this Agreement between Franchisee and DDSI and/or Regional Director or their subsidiaries or affiliates, and under any federal, state, and local laws, rules and ordinances, excluding only such claims as the Franchise Associate or its owner(s) may have under the Minnesota Franchises Law, Minn. Stat. 80C1-80C.22, and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce; and

   f. Section 2 of the Agreement, "Renewal," shall be supplemented by the following new Section 2.3, which shall be considered an integral part of the Agreement:

   2.3 Minnesota law provides franchisees with certain termination, non-renewal, and transfer rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4, and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

   g. Section 9 of the Agreement, "Termination," shall be supplemented by the addition of the following new Section 9.4, which shall be an integral part of the Agreement:

   9.4 Minnesota law provides franchisees with certain termination, non-renewal, and transfer rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4, and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

   h. Section 8, "Transferability of Interest," Section 8.3.b(vii) under "Approval Procedure," shall be deleted in its entirety and shall have no force or effect; and the following shall be substituted in lieu thereof:

   (vii) Franchisee shall execute a general release, in a form satisfactory to DDSI and Regional Director, of any and all claims, known or unknown, against DDSI and Regional Director and their respective officers, directors, employees, agents, successors and assigns;

i. Section 8 of the Agreement, "Transferability of Interest," shall be supplemented by the addition of the following new Section 8.8, which shall be an integral part of the Agreement:

8.8 Minnesota law provides franchisees with certain termination, non-renewal, and transfer rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4, and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

j. Section 13.6 of the Agreement, "Maryland Law," shall be supplemented by the addition of the following provision:

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

k. Section 5, "Franchisee Obligations," Paragraph 5.3, "Use, Display and Ownership of Marks, shall be supplemented by the following Sub-Paragraph f., which shall be considered an integral part of the Agreement:

f. As required by Minnesota Franchises Act, Minn. Stat. Sec. 80C.12(g), DDSI will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the Marks in the manner authorized by DDSI, and so long as DDSI is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle, or otherwise resolve the claim, and the determine whether to appeal a final determination of the claim.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date set forth below:

DECORATING DEN SYSTEMS, INC.

By: _____
Title: _____
Date: _____

FRANCHISEE OWNER

_____
Signature [Date]
Printed Name: _____
Address: _____
_____

AMENDMENT TO THE DECORATING DEN SYSTEMS, INC.

FRANCHISE AGREEMENT REQUIRED BY THE STATE OF VIRGINIA

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the franchise administrator listed in Exhibit H for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following ADDITIONAL RISK FACTORS before you buy this franchise:

1) THE FRANCHISE AGREEMENT STATES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

2) THE FRANCHISE AGREEMENT PROVIDES THAT FAILURE TO MEET CERTAIN MINIMUM SALES LEVELS MAY LEAD TO TERMINATION OF THE FRANCHISE AGREEMENT OR OTHER ACTION BY THE FRANCHISOR.

3) FRANCHISEES DO NOT RECEIVE AN EXCLUSIVE TERRITORY. WE AND OUR AFFILIATES MAY ESTABLISH OTHER FRANCHISES AND COMPANY OWNED LOCATIONS ANYWHERE, AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, FROM ANY LOCATION, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH YOUR FRANCHISE.

4) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or for referring you to us. You should be sure to do your own investigation of this franchise.

Additional Disclosure and Amendment to Franchise Agreement:

The following statements are added to Item 176.h. of the Franchise Agreement:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchise Act or the laws of Virginia, that provision may not be enforceable.IN WITNESS WHEREOF, the parties have executed and delivered this Amendment to the Franchise Agreement as of the date set forth below.

DECORATING DEN SYSTEMS, INC.

By: _____
Title: _____
Date: _____

FRANCHISEE OWNER

_____
Signature [Date]
Printed Name: _____
Address: _____
_____
_____

DECORATING DEN SYSTEMS, INC.

WASHINGTON ADDENDUM TO 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. Franchisees who receive financial incentives from us with respect to referring franchise prospects, may be required to register as a franchise broker under the laws of Washington State.

DECORATING DEN SYSTEMS, INC.

By: _____
Title: _____
Date: _____

FRANCHISEE OWNER

_____

Signature [Date]

Printed Name: _____

Address: _____

AMENDMENT TO THE FRANCHISE AGREEMENT OF DECORATING DEN SYSTEMS, INC. AS REQUIRED BY THE STATE OF WISCONSIN

In recognition of the requirements of Wisconsin Statutes, Chapter 135 (the Wisconsin Fair Dealership Law), the parties to the attached Decorating Den Systems, Inc. Franchise Agreement (the "Agreement") agree as follows:

1. Section 2 of the Agreement, "Term and Renewal, Section 2.2, "Renewal," shall be supplemented by the addition of the following, which shall be considered an integral part of the Agreement:

> To the extent that the renewal provisions described in this Section 2.2 are inconsistent with the requirements of Wisconsin Statutes, Chapter 135 (the Wisconsin Fair Dealership Law), which among other things, grants a Franchisee the right, in most circumstances, to 90 days prior written notice of non-renewal and 60 days within which to remedy any claimed deficiencies, the renewal provisions will be superseded by the Law's requirements and will have no force or effect.

2. Section 9 of the Agreement, "Termination," shall be supplemented by the addition of the following, which shall be considered an integral part of the Agreement:

3.To the extent that the termination provisions described in this Section 9 are inconsistent with Wisconsin Statutes, Chapter 135 (the Wisconsin Fair Dealership Law), which, among other things, grants a Franchisee the right, in most circumstances, to 90 days prior written notice of termination and 60 days within which to remedy any claimed deficiencies, the termination provisions will be superseded by the Law's requirements and will have no force or effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date set forth below.

FRANCHISEE(S)

_____
(Print Name)

_____
(Signature) [Date]

DECORATING DEN SYSTEMS, INC.
8659 Commerce Drive
Easton, MD 21601

By: _____
Name: _____
Title: _____
Date: _____

REGIONAL DIRECTOR

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT F TO THE DISCLOSURE DOCUMENT OF DECORATING DEN SYSTEMS, INC.

MULTI-STATE LAW DISCLOSURES

General

These states have statutes which may supersede the franchise agreement in your relationship with Us including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e *et seq.*], DELAWARE [Code, Tit. 6, Chap. 25, Section 2551 et seq.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1 – 523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the franchise agreement in your relationship with Us including the areas of termination and renewal of your franchise.

Some states have statutes that limit Our ability to restrict your activity after the franchise agreement has ended. Other states have court decisions limiting Our ability to restrict your activity after the franchise agreement has ended.

A provision in the franchise agreement that terminates the franchise upon your bankruptcy may not be enforceable under Title 11, United States Code.

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

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

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

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

9. 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.

10. OUR WEBSITE, www.decoratingden.com HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION www.dfpi.ca.gov.

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

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State."

2. The conditions under which you can be terminated and your rights on non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20. The termination and nonrenewal conditions and rights for Illinois franchises are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987. 815 ILCS 705/19, 20 (West 2010).

3. Illinois law will govern any franchise agreement. Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive requirements with any provisions of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under the provisions of the Illinois Franchise Disclosure Act.

4. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/41 (West 2010), which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

5. Item 17(g) of the Disclosure Document is amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

Please consider the following ADDITIONAL RISK FACTORS before you buy this franchise:

1) THE FRANCHISE AGREEMENT STATES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

2) THE FRANCHISE AGREEMENT PROVIDES THAT FAILURE TO MEET CERTAIN MINIMUM SALES LEVELS MAY LEAD TO TERMINATION OF THE FRANCHISE AGREEMENT OR OTHER ACTION BY THE FRANCHISOR.

3) FRANCHISEES DO NOT RECEIVE AN EXCLUSIVE TERRITORY. WE AND OUR AFFILIATES MAY ESTABLISH OTHER FRANCHISES AND COMPANY OWNED LOCATIONS ANYWHERE, AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, FROM ANY LOCATION, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH YOUR FRANCHISE.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or for referring you to us. You should be sure to do your own investigation of this franchise.

The following Maryland Disclosure is provided in compliance with the requirements of the Maryland Franchise Registration and Disclosure Law. This disclosure supplements the information contained in the corresponding sections of the disclosure document. Any inconsistency with the information contained in the disclosure document will be resolved in favor of this Maryland Disclosure.

1. Add at the end of Footnote 2 to the Item 6 chart: The Franchise Owner may obtain an accounting of the National Brand Fund once annually, upon written request to DDSI, at the address shown in Item 1.

2. DDSI has the right to require the Franchise Owner and its owner(s), to execute a general release of all claims against DDSI and the Regional Director and their subsidiaries and affiliates and their respective officers, directors, shareholders and partners as a condition of renewal. The general release will exclude, however, any claims which the Franchise Owner or its owners may have which have arisen under the Maryland Franchise Registration and Disclosure Law, Annotated Code of Maryland, Business Regulation Article, Title 14, Sections 14-201 through 14-233.

3. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

5. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

6. The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. DDSI has the right to require the Franchise Owner and its owner(s), to execute a general release of all claims against DDSI and the Regional Director and their subsidiaries and affiliates and their respective officers, directors, shareholders and partners as a condition of the assignment. The general release will exclude, however, any claims which the Franchise Owner or its owners may have which have arisen under the Maryland Franchise Registration and Disclosure Law, annotated Code of Maryland, Business Regulation Article, Title 14, Sections 14-201 through 14-233.

8. The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

9. The Franchise Agreement and Disclosure Acknowledgment Statement are amended to include the following statement: "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."

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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 franchises.

(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 thirty (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 five (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 six (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) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

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

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

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

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

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 franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Franchise Section
P.O. 30213
Lansing, Michigan 48909
(517) 335-7567

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

1. Item 13 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

"In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

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

3. Item 17 of the Disclosure Document is amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

"Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

"Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

7. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are hereby amended accordingly.

ADDENDUM REQUIRED BY THE

DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard 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.

ADDENDUM REQUIRED BY THE

THE STATE OF NORTH DAKOTA

Under North Dakota law, no modification or change We make to the Manual or method of operation may materially affect your status, rights or obligations under the Franchise Agreement.

Covenants not to compete are considered unenforceable in the State of North Dakota.

Under North Dakota law, a requirement that you consent to liquidated damages or termination penalties in the event of termination of the franchise agreement is considered unenforceable.

The North Dakota Franchise Investment Law (Section 51-19-09) requires that the laws of North Dakota, which laws will prevail, will govern the Franchise Agreement. Further, North Dakota law requires that all issues or disagreements relating to the Franchise Agreement will be arbitrated, tried, heard and decided within the jurisdiction of courts in the state of North Dakota.

Under the North Dakota Franchise Investment Law (Section 51-19-09), a North Dakota franchisee may not be required to execute a general release upon renewal of the Franchise Agreement.

Rhode Island Addendum

(Applies only to Rhode Island franchisees)

Item 17 is amended by adding the following: 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.

If your Business will be in Rhode Island, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 4 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

ADDENDUM REQUIRED BY THE

THE STATE OF SOUTH DAKOTA

Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.

In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the governing law of the state where the franchise is located.

Any provision of the franchise agreement which requires you to agree to jurisdiction and venue outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Notwithstanding any term of the franchise agreement, We may not terminate the franchise agreement upon default without first affording you thirty (30) days' notice with an opportunity to cure the default within that time.

To the extent required by South Dakota law, all provisions giving any party a right to liquidated damages are hereby deleted from the franchise agreement and the parties shall be entitled to their actual damages instead.

ADDENDUM REQUIRED BY THE

THE STATE OF VIRGINIA

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, 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. Franchisees who receive financial incentives from us with respect to referring franchise prospects, may be required to register as a franchise broker under the laws of Washington State.

DECORATING DEN
INTERIORS®

DECORATING DEN SYSTEMS, INC.

EXHIBIT G

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Quizzes

Role Play/Practice

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Successful Sales Person

Working with Different Personalities

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- First Impressions
- Home Tour

- Setting Expectations
- Info Gathering – Budget
- Info Gathering – Aesthetics
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81 Pages

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Components of A Drapery

Drapery Hardware

Installation

Window Measurement

Drapery Dimensions

Drapery Worksheets/Exercises

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- C.O.M.

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Soft Shades

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- Selecting the Fabric

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43 Pages

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    Selecting Upholstered Furniture

    Floor Plans

    Pricing

    Selling

2. **CASEGOODS**

    Terminology

    Workmanship

    Wood Finishing

    Pricing

    Selling

    Shipping and Delivery

3. **ROLE PLAY**

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- Pricing
- Selling

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Price Range Planner

Lifestyle Interior Planner

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Drapery Worksheet

Invoice/Sales Agreement

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The Initial Telephone Call

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When All Products are Received

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DECORATING DEN
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EXHIBIT H

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed below are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws.

We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws.

There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

STATE	STATE AUTHORITY	AGENT FOR SERVICE OF PROCESS
California	California Department of Financial Protection And Innovation320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7500	California Department of Financial Protection And Innovation320 West 4th Street, Suite 750 Los Angeles, California 90013
Hawaii	Department of Commerce and Consumer Affairs, Business Registration Department P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2722	Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Division Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706
Indiana	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111	Indiana Secretary of State 201 State House 200 West Washington Street

	Indianapolis, Indiana 46204 (317) 782-4465	Indianapolis, Indiana 46204
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-7044	The Commissioner of Securities Office of the Attorney General 200 St. Paul Place Baltimore, Maryland 21202
Michigan	Department of the Attorney General Consumer Protection Division, Franchise Unit 525 Ottawa Street, 6th Floor Lansing, Michigan 48913 (517) 373-7117	
Minnesota	The Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1500	The Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New Yor, New York 1005 (212) 416-8222	New York Department of State Attention: New York Secretary of State One Commerce Plaza 99 Washington Avenue, 67th Floor Albany, New York 11231-0001 (518) 473-2492
North Dakota	The Commissioner of Securities ND Office of Securities Commissioner Fifth Floor, 600 East Boulevard Bismarck, North Dakota 58505	Securities Commissioner Office of the Securities Commissioner Fifth Floor, 600 East Boulevard Bismarck, North Dakota 58505

	(701) 328-4712	
Rhode Island	Rhode Island Division of Securities 1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, Rhode Island 02920 (401) 277-3048	Director, Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, Rhode Island 02920
South Dakota	South Dakota Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	South Dakota Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk, Virginia State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760	Director of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501
Wisconsin	Department of Financial Institutions Securities Division P.O. Box 1768 Madison, Wisconsin 53701-1768	Administrator, Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, Wisconsin 53701-1768

	(608) 261-7222	

DECORATING DEN
INTERIORS®

DECORATING DEN SYSTEMS, INC.

EXHIBIT I

ACKNOWLEDGMENT

CONTRACT RECEIPT ACKNOWLEDGEMENT

The undersigned desires to purchase a Decorating Den Interiors franchise. Decorating Den Systems, Inc. ("DDSI"), the franchisor, requires that I complete this Contract Receipt in order to enable DDSI to confirm that it and its employees and representatives have fully complied with all applicable franchise registration and disclosure laws.

1. I received a Franchise Disclosure Document (the "FDD") for the Decorating Den Interiors franchise on:

   _____

2. The date I received the final form of the Franchise Agreement I later signed was (which is the date I received the FDD):

   _____

3. The date on which I signed the Franchise Agreement was:

   _____

4. Franchisee is: (Check applicable box)

   [ ] An Individual [ ] Corporation [ ] General Partnership
   [ ] Limited Partnership [ ] Limited Liability Company (LLC)

   If Franchisee is other than an individual, indicate the capacity in which the undersigned is authorized to act on behalf of the franchisee:

   [ ] Officer (Title: _____)
   [ ] General Partner
   [ ] Other (_____)

I understand that DDSI is acting in reliance on the truthfulness and completeness of my responses to the foregoing questions in granting the franchise to me. The above statements are true and correct to the best of my knowledge and belief.

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.

Dated: _____ ***FRANCHISEE:***

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____

[Print Name]

Individually, and On Behalf Of:

_____

[Name of Corporation, LLC or Other Entity, if Applicable]

The above statements are true and correct to the best of my knowledge and belief.

_____

DDSI Marketing Representative or Regional Director

EXHIBIT J

State Effective Dates

The following states have franchise laws that require 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 only be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Sept. 3, 2025
Hawaii	Not Applicable
Illinois	April 23, 2025
Indiana	April 18, 2025
Maryland	August 14, 2025
Michigan	Feb. 24, 2025
Minnesota	June 25, 2025
New York	August 6, 2025 to 4/30/26
North Dakota	July 21, 2025
Rhode Island	April 11, 2025
South Dakota	April 30, 2025
Virginia	May 12, 2025
Washington	October 17, 2025
Wisconsin	April 18, 2025

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.

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DECORATING DEN SYSTEMS, INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT K

RECEIPTS

RECEIPT (Our Copy)

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

NEW YORK AND RHODE ISLAND REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH US OR MAKE ANY PAYMENT TO US. MICHIGAN, OREGON, WASHINGTON AND WISCONSIN REQUIRE US TO GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE SIGNING A BINDING AGREEMENT WITH US OR PAYING ANY CONSIDERATION, WHICHEVER IS FIRST TO OCCUR.

IF DECORATING DEN SYSTEMS, INC. OFFERS YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR ANY AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF DECORATING DEN SYSTEMS, INC. DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, DC 20580 AND YOUR STATE AGENCY, IF ONE IS LISTED IN EXHIBIT M OF THIS DISCLOSURE DOCUMENT.

The name, principal business address and telephone number of each franchise seller offering the franchise, all as employees of the Franchisor at 8659 Commerce Drive, Easton, MD 21601 (410-822-9001): James S. Bugg, Jr., Kevin Rooney, Kevin Atkinson and David Haseley .

Issuance Date: April 13, 2026.

See Exhibit H for our registered agents authorized to receive service of process.

I have received a disclosure document dated April 13, 2026 that includes the following Exhibits:

EXHIBIT A	LIST OF FIELD MENTORS
EXHIBIT B	LIST OF FRANCHISE OWNERS
EXHIBIT C	LIST OF FORMER FRANCHISE OWNERS
EXHIBIT D	FINANCIAL STATEMENTS OF DDSI
EXHIBIT E	DDSI FRANCHISE AGREEMENT, STATE LAW ADDENDA AND RELATED AGREEMENTS
EXHIBIT F	MULTI-STATE LAW DISCLOSURES
EXHIBIT G	TABLE OF CONTENTS OF THE DDSI TRAINING MANUAL AND THE FRANCHISE OWNER POLICY AND PROCEDURE MANUAL
EXHIBIT H	LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
EXHIBIT I	ACKNOWLEDGMENT
EXHIBIT J	STATE EFFECTIVE DATES
EXHIBIT K	RECEIPTS

_____ ....
Date Signature..... ....Printed Name

_____ ....
Date Signature..... ....Printed Name

Please sign this copy of the receipt, date your signature, and return it to Franchise Administration, Decorating Den Systems, Inc., 8659 Commerce Drive, Easton MD 21601.

RECEIPT (Your Copy)

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

NEW YORK AND RHODE ISLAND REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH US OR MAKE ANY PAYMENT TO US. MICHIGAN, OREGON, WASHINGTON AND WISCONSIN REQUIRE US TO GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE SIGNING A BINDING AGREEMENT WITH US OR PAYING ANY CONSIDERATION, WHICHEVER IS FIRST TO OCCUR.

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EXHIBIT K	RECEIPTS

_____ ....
Date Signature..... ....Printed Name

_____ ....
Date Signature..... ....Printed Name

KEEP THIS COPY FOR YOUR RECORDS.